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Annual report of the International Tribunal for the Law of the Sea for 2006

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I. Introduction

1. The present report of the International Tribunal for the Law of the Sea is submitted to the Meeting of States Parties under rule 6, paragraph 3 (d), of the Rules of Procedure for Meetings of States Parties and covers the period from 1 January to 31 December 2006.

2. The Tribunal was established by the 1982 United Nations Convention on the Law of the Sea (hereinafter "the Convention"). It functions in accordance with the relevant provisions of Part XV and Part XI of the Convention, the Statute of the Tribunal (hereinafter "the Statute"), as contained in annex VI to the Convention, and the Rules of the Tribunal (hereinafter "the Rules").

3. The Tribunal is composed of 21 members, elected by the States Parties to the Convention in the manner provided for by article 4 of the Statute.

4. Since 1 October 2005, the composition of the Tribunal has been as follows:

Order of precedence	*Country*	*Date of expiry of term of office*
President		
Rüdiger Wolfrum	Germany	30 September 2008
Vice-President		
Joseph Akl	Lebanon	30 September 2008
Judges		
Hugo Caminos	Argentina	30 September 2011
Vicente Marotta Rangel	Brazil	30 September 2008
Alexander Yankov	Bulgaria	30 September 2011
Anatoly Lazarevich Kolodkin	Russian Federation	30 September 2008
Choon-Ho Park	Republic of Korea	30 September 2014
Paul Bamela Engo	Cameroon	30 September 2008
L. Dolliver M. Nelson	Grenada	30 September 2014
P. Chandrasekhara Rao	India	30 September 2008
Tullio Treves	Italy	30 September 2011
Tafsir Malick Ndiaye	Senegal	30 September 2011
José Luis Jesus	Cape Verde	30 September 2008
Guangjian Xu	China	30 September 2011
Jean-Pierre Cot	France	30 September 2011
Anthony Amos Lucky	Trinidad and Tobago	30 September 2011

Order of precedence	*Country*	*Date of expiry of term of office*
Stanislaw Pawlak	Poland	30 September 2014
Shunji Yanai	Japan	30 September 2014
Helmut Türk	Austria	30 September 2014
James Kateka	United Republic of Tanzania	30 September 2014
Albert Hoffmann	South Africa	30 September 2014

5. The Registrar is Philippe Gautier (Belgium) and the Deputy Registrar is Doo-young Kim (Republic of Korea).

II. Election of the Registrar

6. In accordance with article 32 of the Rules, the Registrar is elected from the candidates nominated by Members.

7. On 19 September 2006, the Members of the Tribunal re-elected Philippe Gautier (Belgium) Registrar of the Tribunal for a term of five years. Mr. Gautier was Deputy Registrar of the Tribunal from 1997 to 2001 and Registrar from 2001 to 2006. He began his career in the Belgian Ministry of Foreign Affairs (1984-1997), where he served as Head of the Treaties Division (1995-1997) and as Head of the Law of the Sea Office (1991-1995). He is Professor at the Catholic University of Louvain.

III. Chambers

A. Seabed Disputes Chamber

8. In accordance with article 35, paragraph 1, of the Statute, the Seabed Disputes Chamber consists of 11 judges selected by the members of the Tribunal from among themselves. The members of the Chamber are selected triennially. The composition of the Chamber, in order of precedence, is as follows: Judge Caminos, President; Judges Kolodkin, Park, Treves, Jesus, Lucky, Pawlak, Yanai, Türk, Kateka and Hoffmann, members.

9. The terms of office of the members of the Chamber expire on 30 September 2008.

B. Special chambers

1. Chamber of Summary Procedure

10. The Chamber of Summary Procedure is established in accordance with article 15, paragraph 3, of the Statute and consists of five members and two alternates. In accordance with article 28 of the Rules, the President and the Vice-President of the

Tribunal are ex officio members of the Chamber, with the President of the Tribunal serving as President of the Chamber. The Chamber is constituted annually.

11. During the twenty-second session of the Tribunal, on 26 September 2006, the Chamber was constituted for the period from 1 October 2006 to 30 September 2007. The members of the Chamber, in order of precedence, are as follows: President Wolfrum; Vice-President Akl; Judges Yankov, Nelson and Ndiaye, members; Judges Treves and Yanai, alternates.

2. Chamber for Fisheries Disputes

12. The Chamber for Fisheries Disputes, established in accordance with article 15, paragraph 1, of the Statute, consists of seven members. As decided by the Tribunal, the members of the Chamber are selected for a three-year term.

13. The composition of the Chamber, in order of precedence, is as follows: Judge Treves, President; Judges Marotta Rangel, Chandrasekhara Rao, Jesus, Pawlak, Yanai and Kateka, members.

14. The terms of office of the members of the Chamber expire on 30 September 2008.

3. Chamber for Marine Environment Disputes

15. The Chamber for Marine Environment Disputes, established in accordance with article 15, paragraph 1, of the Statute, consists of seven members. As decided by the Tribunal, the members of the Chamber are selected for a three-year term.

16. The composition of the Chamber, in order of precedence, is as follows: Judge Lucky, President; Judges Yankov, Park, Xu, Türk, Kateka and Hoffmann, members.

17. The terms of office of the members of the Chamber expire on 30 September 2008.

4. Chamber under article 15, paragraph 2, of the Statute

18. Pursuant to article 15, paragraph 2, of the Statute, the Tribunal shall form a chamber for dealing with a particular dispute, if the parties so request. The composition of such a chamber is determined by the Tribunal with the approval of the parties in the manner provided for in article 30 of the Rules.

19. By Order dated 20 December 2000, the Tribunal formed a Special Chamber of five judges to deal with a dispute between Chile and the European Community concerning the conservation and sustainable exploitation of swordfish stocks in the South-Eastern Pacific Ocean.

20. The composition of the Special Chamber to deal with the case is as follows: Judge Chandrasekhara Rao, President; Judges Caminos, Yankov and Wolfrum and Judge ad hoc Orrego Vicuña, members.

IV. Meetings of the Tribunal

21. During the period under review, the Tribunal held two sessions devoted essentially to legal matters having a bearing on the judicial work of the Tribunal and other organizational and administrative matters. The twenty-first session of the

Tribunal was held from 6 to 17 March 2006 and the twenty-second session from 18 to 29 September 2006.

V. Judicial work of the Tribunal

Case concerning the Conservation and Sustainable Exploitation of Swordfish Stocks in the South-Eastern Pacific Ocean (Chile/European Community)

22. Following an agreement between Chile and the European Community, the Tribunal, by Order dated 20 December 2000, formed a special chamber to deal with a dispute between Chile and the European Community concerning the conservation and sustainable exploitation of swordfish stocks. By the same Order, the Tribunal fixed the time limits for the filing of preliminary objections and of the written pleadings.[1]

23. On 9 March 2001, the parties informed the President of the Special Chamber that they had reached a provisional arrangement concerning the dispute and requested that the proceedings before the Chamber be suspended. By Order of 15 March 2001, the President of the Special Chamber extended the time limit of 90 days for the making of preliminary objections, so that it would commence from 1 January 2004. Further to a new request of the parties, the President of the Special Chamber extended the time limit for making preliminary objections until 1 January 2006, by Order dated 16 December 2003. By Order dated 29 December 2005, the Special Chamber extended once again the time limit for making preliminary objections until 1 January 2008. The case is pending on the docket.

VI. Committees

24. During its twenty-second session, on 26 September 2006, the Tribunal reconstituted its committees for the period ending 30 September 2007.[2]

A. Committee on Budget and Finance

25. The members of the Committee on Budget and Finance selected on 26 September 2006 are as follows: Vice-President Akl, Chairman; Judges Yankov, Treves, Jesus, Lucky, Yanai, Türk and Hoffmann, members.

B. Committee on Rules and Judicial Practice

26. The members of the Committee on Rules and Judicial Practice selected on 26 September 2006 are as follows: President Wolfrum, Chairman; Vice-President Akl; Judges Caminos (ex officio member), Marotta Rangel, Yankov, Kolodkin, Nelson, Chandrasekhara Rao, Treves, Ndiaye, Jesus, Cot, Yanai and Kateka, members.

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[1] For the composition of the Special Chamber, see para. 20.

[2] For the terms of reference of the committees, see SPLOS/27, paras. 37-40; SPLOS/50, paras. 36 and 37; and SPLOS/136, para. 46.

C. Committee on Staff and Administration

27. The members of the Committee on Staff and Administration selected on 26 September 2006 are as follows: Judge Cot, Chairman; Judges Caminos, Kolodkin, Nelson, Chandrasekhara Rao, Xu, Türk and Kateka, members.

D. Committee on Library, Archives and Publications

28. The members of the Committee on Library, Archives and Publications selected on 26 September 2006 are as follows: Judge Ndiaye, Chairman; Judges Caminos, Marotta Rangel, Park, Bamela Engo, Treves, Cot and Pawlak, members.

E. Committee on Buildings and Electronic Systems

29. The members of the Committee on Buildings and Electronic Systems selected on 26 September 2006 are as follows: Judge Park, Chairman; Judges Bamela Engo, Xu, Pawlak, Türk and Hoffmann, members.

F. Committee on Public Relations

30. The members of the Committee on Public Relations selected on 26 September 2006 are as follows: Judge Jesus, Chairman; Judges Caminos, Yankov, Nelson, Chandrasekhara Rao, Treves, Cot, Kateka and Hoffmann, members.

VII. Rules of the Tribunal and supplementary documents

31. During its twenty-first and twenty-second sessions, the Tribunal dealt with legal and judicial matters, including a review of the Rules and judicial procedures of the Tribunal. The review was undertaken both in the Committee on Rules and Judicial Practice and in the plenary. In considering such legal and judicial matters, the Tribunal followed closely the developments of the rules of procedure of the International Court of Justice and other international courts and tribunals. Some of the main issues that were considered are addressed below.

A. Competence of the Tribunal in maritime delimitation cases

32. During the twenty-first and twenty-second sessions, the plenary of the Tribunal examined, on the basis of background papers prepared by the Registry, the question of the competence of the Tribunal in maritime delimitation cases.

33. It was noted that article 288 of the Convention conferred jurisdiction on the Tribunal, and on the International Court of Justice or on an arbitral tribunal, to deal with any dispute concerning the interpretation or application of the Convention.

34. Maritime delimitation disputes are disputes concerning the interpretation or application of the Convention (for example, see articles 15, 74 and 83 of the Convention). Therefore, as a general rule, all maritime delimitation disputes are subject to compulsory binding settlement under the Convention.

35. It was furthermore noted that the competence of the Tribunal and other courts or tribunals referred to in article 287 of the Convention is excluded only when a State has made a declaration in accordance with article 298, paragraph 1 (a), of the Convention. If a State has made such a declaration, the sea boundary dispute would be subject to compulsory conciliation if the conditions for conciliation provided for in article 298, paragraph 1 (a), are met.

36. It was also pointed out that the parties to a dispute on issues of maritime delimitation may at any time agree to submit the dispute to the Tribunal by the notification of a special agreement, even when they have chosen other compulsory means under article 287 of the Convention. It was furthermore noted that the Tribunal may give advisory opinions in maritime delimitation matters in accordance with the provisions of article 138 of the Rules.

37. The Tribunal will continue to consider this item.

B. Guide to proceedings before the Tribunal

38. During the twenty-first session, the plenary of the Tribunal examined a draft guide prepared by the Registry regarding proceedings before the Tribunal. The purpose of the guide is to provide advocates, counsel and government legal advisers with practical information as concerns the manner in which cases are instituted and conducted before the Tribunal. The guide was published in June 2006 in the official languages of the Tribunal (English and French) and will be available in 2007 in the four other official languages of the United Nations (Arabic, Chinese, Russian and Spanish).

C. Bonds and other financial security

39. During the twenty-first session, the plenary of the Tribunal discussed, on the basis of a document prepared by the Registry, the question of the rules regarding the posting of a bond determined by the Tribunal in prompt release proceedings. In that regard, it was considered timely to examine the provisions of the Rules on the matter of implementation of judgements in prompt release cases and, in particular, the procedure for the posting of a bond or financial security with the Tribunal.

40. During the twenty-second session, the plenary of the Tribunal considered the matter of the implementation of article 114 of the Rules on the basis of a paper prepared by the Registry. Article 114 of the Rules concerns the posting of a bond or other financial security with the Tribunal, if the parties so agree. At its next session, the Tribunal will consider the possibility of adopting guidelines for implementing article 114 of the Rules with a view to assisting the parties in prompt release proceedings and facilitating the implementation of the Tribunal's decision. The guidelines are expected to render the prompt release procedure more effective.

D. Amendment to article 43 of the Rules of the International Court of Justice

41. During the twenty-first and twenty-second sessions, the plenary of the Tribunal gave consideration, on the basis of a paper prepared by the Registry, to an

amendment to article 43 of the Rules of the International Court of Justice relating to intervention. After having examined the matter, the Tribunal considered that it was not necessary for amendments to be made to the Rules of the Tribunal.

E. Matters relating to the law of the sea and the Convention

42. During the twenty-first and twenty-second sessions, the Tribunal exchanged views on the information presented by the Registry concerning recent developments in law of the sea matters. The information collected by the Registry concerned items such as the consideration by the United Nations General Assembly of the item "Oceans and the law of the sea"; the discussions within the United Nations Open-ended Informal Consultative Process on Oceans and the Law of the Sea (Consultative Process); the reports of the Ad Hoc Open-ended Informal Working Group to study issues relating to the conservation and sustainable use of marine biological diversity beyond areas of national jurisdiction; and the results of the Review Conference on the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

43. During the period under review, the Tribunal took note of the information presented by the Registry concerning the status of declarations made under articles 287 and 298 of the Convention. The Tribunal also took note of the information presented by the Registry regarding dispute settlement clauses in international agreements relating to the law of the sea.

F. Matters relating to article 292 of the Convention

44. During the twenty-second session of the Tribunal, the Committee on Rules and Judicial Practice had a preliminary exchange of views on matters relating to the interpretation of article 292 of the Convention. It requested the Registry to prepare a study on the scope and application of article 292, prompt release in cases of marine pollution, and the issue of the release of vessels as a provisional measure under article 290 of the Convention.

G. Matters relating to the Seabed Disputes Chamber

45. During the period under review, the members of the Seabed Disputes Chamber exchanged views on developments regarding the work of the International Seabed Authority, some procedural aspects of contentious proceedings and advisory proceedings before the Chamber. A paper prepared by the Registry regarding the genetic resources of the seabed was presented to the Chamber.

H. Matters relating to the Chamber for Fisheries Disputes

46. During the period under review, the members of the Chamber for Fisheries Disputes exchanged views on recent developments concerning fisheries agreements, in particular, the Review Conference on the Agreement for the Implementation of

the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

I. Matters relating to the Chamber for Marine Environment Disputes

47. During the period under review, the members of the Chamber for Marine Environment Disputes exchanged views on recent developments concerning the protection of the marine environment.

VIII. Privileges and immunities

A. General Agreement

48. The Agreement on the Privileges and Immunities of the International Tribunal for the Law of the Sea, adopted by the seventh Meeting of States Parties on 23 May 1997, was deposited with the Secretary-General of the United Nations and opened for signature at Headquarters for 24 months as from 1 July 1997 (SPLOS/24, para. 27). The Agreement entered into force on 30 December 2001, 30 days after the date of deposit of the tenth instrument of ratification or accession. At the closing date for signature, 21 States had signed the Agreement. As at 31 December 2006, 29 States had ratified or acceded to it.

B. Headquarters Agreement

49. The Headquarters Agreement between the Tribunal and the Government of the Federal Republic of Germany was signed on 14 December 2004 by the President of the Tribunal and the State Secretary of the Federal Foreign Office of Germany. The Agreement will enter into force on the first day of the month following the date of receipt of the last of the notifications by which the Tribunal and the Federal Republic of Germany have informed each other of the completion of their respective formal requirements for the entry into force of the Agreement. Pending the entry into force of the Agreement, the relations with the host country are governed by an interim ordinance adopted by the host country in 1996, which applies, mutatis mutandis, the relevant provisions of the Convention on the Privileges and Immunities of the Specialized Agencies of 21 November 1947.[3]

50. The Headquarters Agreement defines the legal status of the Tribunal in Germany and regulates the relations between the Tribunal and the host country. It contains provisions on matters such as the law applicable to the headquarters district, the immunity of the Tribunal, its property, assets and funds, and the privileges, immunities and exemptions to be accorded to the Members of the Tribunal and its officials, as well as to Agents representing parties, counsel and advocates, and witnesses and experts who are required to appear before the Tribunal.

[3] German Ordinance on the Privileges and Immunities of the International Tribunal for the Law of the Sea of 10 October 1996.

IX. Relations with the United Nations

A. Observer status in the General Assembly

51. On 20 October 2006, President Wolfrum gave a statement before the Sixth Committee of the General Assembly. His statement was devoted to the role of the Tribunal in the interpretation and implementation of the Convention and the settlement of law of the sea disputes.

52. On 23 October 2006, the President addressed the Informal Meeting of Legal Advisers of Ministries of Foreign Affairs in New York. In his statement, the President elaborated on the competence of the Tribunal in maritime delimitation cases and the Tribunal's advisory function.

53. At the 71st plenary meeting of the sixty-first session of the United Nations General Assembly, on 8 December 2006, President Wolfrum delivered a statement under agenda item 71 (a), entitled "Oceans and the law of the sea" (see www.itlos.org). In his statement, the President reported to the Assembly on the developments that had taken place with respect to the Tribunal since the last meeting of the Assembly, and also made general comments on the work and the jurisdiction of the Tribunal.

B. Relationship Agreement with the United Nations

54. At its twenty-first and twenty-second sessions, the Registrar reported to the Tribunal on developments regarding the implementation of the Agreement on Cooperation and Relationship between the United Nations and the International Tribunal for the Law of the Sea.

X. Relations with other organizations and bodies

55. During the period under review, the Registrar reported to the Tribunal on contacts made as regards possible relationship arrangements with the Food and Agriculture Organization of the United Nations.

XI. Premises of the Tribunal

56. The terms and conditions under which the premises are made available by the Federal Republic of Germany to the Tribunal are established in the Agreement between the International Tribunal for the Law of the Sea and the Government of the Federal Republic of Germany on the Occupancy and Use of the Premises of the International Tribunal for the Law of the Sea in the Free and Hanseatic City of Hamburg of 18 October 2000.

57. A meeting between the Registry and the competent German authorities was held on 12 December 2006 to discuss issues regarding the premises of the Tribunal, including the Library extension and media technology. In particular, participants in the meeting discussed and approved the list of repairs relating to the premises for 2007 and the timetable for the work on the Library extension, which is scheduled to

begin at the end of March 2007 and expected to be completed by the end of June 2007.

XII. Finances

A. Budgetary matters

1. Budget of the Tribunal for 2007-2008

58. The budget proposals for 2007-2008, approved by the Tribunal at its twenty-first session, were submitted to the sixteenth Meeting of States Parties. The proposals, involving an amount of €17,214,700, were based on an evolutionary approach and guided by the principle of zero growth.

59. The Meeting of States Parties approved the budget in the amount of €17,214,700, as proposed by the Tribunal. The approved budget provided for recurrent expenditure of €14,546,700, including €4,385,900 for the remuneration, travel and pensions of the judges and €6,985,800 for salaries and related costs of staff, and non-recurrent expenditure of €262,000. The Meeting of States Parties also approved €2,406,000 under the part of the budget entitled "Case-related costs". No appropriations were made to the Working Capital Fund (SPLOS/145 and SPLOS/148, para. 41).

2. Report on budget performance

60. At its twenty-first session, the Tribunal considered the report presented by the Registrar concerning the performance of the first year of the 2005-2006 budget.

3. Report on budgetary matters for the financial period 2005-2006

61. At its twenty-first session, the Tribunal considered the report presented by the Registrar on budgetary matters for the financial period 2005-2006. The report was prepared pursuant to the decisions on budgetary matters for 2005-2006 taken by the fifteenth Meeting of States Parties (see SPLOS/132 and SPLOS/133).

4. Cash flow situation

62. At its twenty-first and twenty-second sessions, the Tribunal took note of the information presented by the Registrar concerning the cash flow situation of the Tribunal.

B. Status of contributions

63. As at 31 December 2006, 90 States Parties had made contributions to the 2006 budget, totalling €7,473,045, while 62 States Parties had not made any payments with respect to their assessed contributions for 2006. The balance of unpaid contributions with respect to the 2006 budget was €525,207.

64. Furthermore, assessed contributions amounting to €1,327,325 in respect of the Tribunal's budgets for the years 1996-1997 to 2005-2006 were still pending as at 31 December 2006.

65. The balance of unpaid contributions with respect to the overall budget of the Tribunal amounted to €1,852,532. In July 2006, the Registrar sent the States Parties notes verbales concerning the assessed contributions to the 2007 budget of the Tribunal, which also contain the information about outstanding contributions to the budgets of the Tribunal. In December 2006, the Registrar sent notes verbales to the States Parties concerned, reminding them of their outstanding contributions to the budgets of the Tribunal.

C. Financial Regulations and Rules

66. The Financial Regulations of the Tribunal, adopted by the thirteenth Meeting of States Parties on 12 June 2003, became effective on 1 January 2004. The Financial Regulations apply to the financial period 2005-2006 and to subsequent financial periods.[4]

67. Pursuant to financial regulation 10.1 (a), the Registrar should establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy. In accordance with this provision, the Tribunal, at its seventeenth session, approved the Financial Rules, which had been prepared by the Registrar and reviewed by the Committee on Budget and Finance. The Financial Rules were submitted to the fourteenth Meeting of States Parties for its consideration. The Meeting took note of the Financial Rules of the Tribunal which, according to rule 114.1, became effective on 1 January 2005 (see SPLOS/120).

D. Conditions of service and compensation for Members of the Tribunal

68. During the period under review, the Committee on Budget and Finance gave consideration, on the basis of documents prepared by the Registry, to the entitlements of the Members of the Tribunal at the beginning and end of their terms of office. The Tribunal decided to keep this matter under review.

E. Reports of the auditor for 2004 and 2005-2006

69. In accordance with the Financial Regulations of the United Nations, which were applicable mutatis mutandis to the Tribunal, arrangements were made for the accounts of the Tribunal to be audited by an internationally recognized auditing firm.

70. The audit report for 2004 was submitted by the Tribunal to the sixteenth Meeting of States Parties. The Meeting considered and took note of the report (SPLOS/148, para. 33).

71. Pursuant to financial regulation 12.1, the fifteenth Meeting of States Parties appointed BDO Deutsche Warentreuhand as auditor for the financial periods 2005-2006 and 2007-2008 (SPLOS/135, para. 33).

[4] Financial regulation 14.1.

72. In view of the fact that the Registry has no office in charge of internal financial control, provision was made for an interim audit to be carried out during the financial period 2005-2006. The results of the interim audit were presented by the Registrar at the twenty-second session of the Tribunal. The auditor, having reviewed and evaluated the system of internal controls related to the accounting system, was pleased to note that the financial records were accurately maintained in the Sun Accounting System.

73. At the sixteenth Meeting of States Parties, several delegations requested the Tribunal to adjust its working methods so as to enable States Parties to consider the most recent audit report (SPLOS/148, para. 32). At the twenty-second session of the Tribunal, the Committee on Budget and Finance exchanged views on possible ways to accelerate the submission of the external auditor's report to the Meeting of States Parties. In this regard, the Registrar informed the Committee of the measures that had been taken to close the financial period 2005-2006 on 31 January 2007 instead of 31 March 2007.

F. Trust funds and donations

74. On 30 October 2000, the General Assembly, in resolution 55/7 on oceans and the law of the sea, requested the Secretary-General to establish and administer a voluntary trust fund to assist States in the settlement of disputes by the Tribunal. The trust fund was subsequently established and is operational.

75. According to information provided by the Division for Ocean Affairs and the Law of the Sea, contributions to the trust fund were made by the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Finland. Financial statements of the trust fund showed at 31 December 2006 a balance of US$ 70,621.17. No contribution was made to the fund in 2006.

76. In 2004, the Korea International Cooperation Agency provided a grant for funding the participation of interns from developing countries in the internship programme of the Tribunal. A trust fund has been established by the Registrar for this purpose pursuant to regulation 6.5 of the Financial Regulations of the Tribunal.

XIII. Administrative matters

A. Staff Regulations and Staff Rules

77. At the twenty-first session, the Registrar reported to the Tribunal on amendments to the Staff Regulations and Staff Rules concerning the salary scale for staff in the Professional and higher categories and the salary scale for staff in the General Service category.

B. Staff recruitment

78. The Tribunal continued the recruitment process for both Professional and General Service staff. At the end of 2006, the status of the recruitment process was as follows:

(a) Recruitment completed for the posts of Head of Budget and Finance at the P-4 level and Librarian at the P-4 level;

(b) Recruitment completed for two General Service posts.

A list of the staff members of the Tribunal as at 31 December 2006 is contained in annex I.

79. Temporary personnel were recruited to assist the Tribunal during its twenty-first and twenty-second sessions.

C. Language classes at the Tribunal

80. English and French classes for staff members were held at the Tribunal in 2006.

D. Staff Pension Committee

81. Further to the proposal of the Tribunal, the sixteenth Meeting of States Parties decided that a Staff Pension Committee should be established, comprising: (a) one member and one alternate member, to be chosen by the Meeting, for a term of office of two years; (b) one member and one alternate member to be appointed by the Registrar for a term of office of two years; and (c) one member and one alternate member, to be chosen by the staff, for a term of office of two years.

82. The Meeting also decided that it would nominate States having a permanent diplomatic or consular presence in Berlin or Hamburg as member and alternate member of the committee and that the nominated States would then appoint local diplomats as their representatives on the Staff Pension Committee (SPLOS/147). Pursuant to the intersessional consultations conducted by the President of the Meeting of States Parties, the President of the Meeting, by letter dated 2 December 2006, informed the States Parties that Senegal had been nominated to appoint a member to the Staff Pension Committee. An alternate is due to be nominated in 2007.

E. Internship programme

83. The internship programme of the Tribunal was established in 1997. In 2004, the Korea International Cooperation Agency Grant was set up to assist applicants from developing countries in covering the costs incurred by participating in the Tribunal's internship programme. At the end of 2006, a total of 161 interns from 58 States had participated in the programme, with 46 interns benefiting from funding from the Grant.

84. In 2006, 21 persons from 15 different countries served periods of internship at the Tribunal. A list of the persons who participated in the internship programme in 2006 is contained in annex III.

85. An information sheet and the application form for the programme can be obtained from the Registry or from the Tribunal website: www.itlos.org (English) or www.tidm.org (French).

XIV. Buildings and electronic systems

A. Requirements for the permanent premises

86. At the twenty-first and twenty-second sessions of the Tribunal, the Registrar presented reports to the Tribunal on the telephone system, extension of the Library, security, the use of Tribunal premises, building arrangements, electronic systems and courtroom technology. The reports were reviewed by the Committee on Buildings and Electronic Systems.

B. Use of the premises and public access

87. The following events were organized on the premises of the Tribunal in 2006:

(a) Seminar: "Law of the Sea and Maritime Policy of the European Union", 10 and 11 February 2006, organized by the Law of the Sea and Maritime Law Institute of the University of Hamburg;

(b) Meeting on political and strategic issues in the maritime field, 20 February 2006, organized by the Federal Maritime and Hydrographic Agency;

(c) Information session on the work of the Tribunal, 23 February 2006, attended by a group of representatives of the international maritime community (protection and indemnity clubs, arbitration, classification societies, shipowner associations and salvage companies);

(d) Meeting: "Mediation in the law", 2 March 2006, organized by the International Foundation for the Law of the Sea;

(e) Third maritime talks: "Classification societies: guarantors for maritime safety?", 4 March 2006, organized by the International Foundation for the Law of the Sea, in cooperation with the Bucerius Law School, the Law of the Sea and Maritime Law Institute of the University of Hamburg and the Federal Maritime and Hydrographic Agency;

(f) Symposium: "Market Power and Abuse", 19 May 2006, organized by the Europa-Kolleg Hamburg in cooperation with the Institut für Integrationsforschung, White & Case, Taylor Wessing, Brödermann & Jahn, Business & Law, Graf von Westphalen and Bappert & Modest;

(g) Meeting of the group of experts on merchant shipping law, 29 June 2006, organized by the Federal Ministry of Justice;

(h) Workshop: "Role of the International Tribunal for the Law of the Sea in maritime dispute resolution", 14 September 2006, organized by the International Foundation for the Law of the Sea for representatives of protection and indemnity clubs, shipowner associations, arbitrators' associations and States;

(i) Symposium: "The jurisprudence of the International Tribunal for the Law of the Sea: assessment and prospects", 29 and 30 September 2006, organized by the International Foundation for the Law of the Sea, in cooperation with the Bucerius Law School, the Law of the Sea and Maritime Law Institute of the University of Hamburg and the Federal Maritime and Hydrographic Agency;

(j) Meeting of the working group on European and International Labour and Social Law of the German labour court: "Arbeitskampf in Europa und grenzüberschreitende Auswirkungen", 10 and 11 November 2006;

(k) Seminar: "Freedom of the seas and ocean governance", 1 December 2006, organized by the Law of the Sea and Maritime Law Institute of the University of Hamburg in honour of Professor Rainer Lagoni.

88. In addition, the premises of the Tribunal were visited by approximately 2,400 people during organized tours in 2006.

XV. Library facilities

89. At the twenty-first and twenty-second sessions, the Registrar reported on several matters pertaining to the Library, including the collections, the online databases and the bibliography, and the archives.

90. A list of donors to the Library is contained in annex I.

XVI. Publications

91. The status of the Tribunal's publications was reviewed by the Committee on Library, Archives and Publications at the twenty-first and twenty-second sessions of the Tribunal.

92. During the period under review, the following volumes were published:

(a) *ITLOS Yearbook 2005, TIDM Annuaire 2005*;

(b) *ITLOS Pleadings, Minutes of Public Sittings and Documents 1999, Vol. 3*;

(c) *ITLOS Pleadings, Minutes of Public Sittings and Documents 2000, Vol. 5*.

93. The Tribunal has issued a new booklet, "*A Guide to Proceedings before the International Tribunal for the Law of the Sea*", in English and French (see also para. 38 above).

XVII. Public relations

94. At the twenty-first and twenty-second sessions, the Committee on Public Relations gave consideration to a set of measures to promote the work of the Tribunal, including the celebration of the tenth anniversary of the Tribunal, the organization of regional workshops, the summer academy of the International Foundation for the Law of the Sea, the dissemination of information on the Tribunal and the participation of Tribunal representatives in international legal meetings.

XVIII. Tenth anniversary of the Tribunal

95. A series of events were held to celebrate the tenth anniversary of the Tribunal. The first event was held on 18 September 2006 at the Representation of the Free and

Hanseatic City of Hamburg in Berlin, at which statements were delivered by the President of the Tribunal, Judge Rüdiger Wolfrum, the Minister of Justice of the Federal Republic of Germany, Brigitte Zypries, and the Senator of Justice of the Free and Hanseatic City of Hamburg, Carsten-Ludwig Lüdemann. The event was attended by representatives of the diplomatic corps, the Federal Ministry of Justice and the Federal Ministry of Foreign Affairs.

96. A formal ceremony to mark the tenth anniversary of the Tribunal was held on 29 September 2006 at the premises of the Tribunal. At the ceremony, statements were delivered by the first and current Presidents of the Tribunal, Judges Thomas Mensah and Rüdiger Wolfrum, the First Mayor of the Free and Hanseatic City of Hamburg, Ole von Beust, the State Secretary of the Federal Ministry of Transport, Building and Housing, Jörg Hennerkes, the Legal Counsel of the United Nations, Nicholas Michel, the President of the International Court of Justice, Judge Rosalyn Higgins, and the Secretary-General of the International Seabed Authority, Satya Nandan. The statements are available on the website of the Tribunal (www.itlos.org). The ceremony was attended by representatives of the Federal Government of Germany and of the Senate of the Free and Hanseatic City of Hamburg, legal advisers, members of the diplomatic and consular corps, representatives of the United Nations and international courts, academics and practitioners working in the law of the sea.

97. The ceremony was followed by a symposium on the jurisprudence of the Tribunal: assessment and prospects, organized by the International Foundation for the Law of the Sea.

XIX. Regional workshops

98. The Tribunal has planned a series of workshops on the settlement of disputes related to the law of the sea in different regions of the world, in cooperation with the Korea International Cooperation Agency of the Republic of Korea and the International Foundation for the Law of the Sea. The purpose of the workshops is to provide government experts working in the maritime field with an insight into the procedures for the settlement of disputes contained in Part XV of the Convention, with special attention given to the jurisdiction of the Tribunal and the procedures for bringing cases before it.

99. At the invitation of the Government of Senegal, the first regional workshop was held in Dakar, from 31 October to 2 November 2006. The workshop was attended by representatives of different ministries of 13 African States, who discussed the role of the International Tribunal for the Law of the Sea in the settlement of disputes relating to the law of the sea in West Africa. Future regional workshops will be held in Jamaica and Singapore in 2007.

XX. Summer academy

100. The International Foundation for the Law of the Sea will hold its first summer academy in 2007. The academy will be held at the Tribunal's premises over a period of four weeks with two modules of two weeks, the first focusing on international law of the sea and the second on maritime law from an international perspective.

The academy is open to students, young government officials and professionals from all over the world with expertise in law of the sea matters.

XXI. Public information and website

101. The Tribunal publicized its work by means of its website, press releases and briefings by the Registry and by distribution of its judgements, orders and publications.

102. The website can be accessed at the addresses www.itlos.org and www.tidm.org. The texts of the judgements, orders and verbatim records of hearings of the Tribunal are available on the website, together with other information about the Tribunal.

103. In 2006, Judges and staff members of the Registry also delivered lectures and published papers on the work of the Tribunal.

XXII. Future work

104. The Tribunal decided to hold its twenty-third session from 5 to 16 March 2007 to deal with legal matters having a bearing on the judicial work of the Tribunal and other organizational and administrative matters. It further decided that the twenty-fourth session would be held from 17 to 28 September 2007.

Annex I

Information on staff (2006)

Professional and higher categories

Name	*Title*	*Country of nationality*	*Level of post*	*Level of incumbent*
Gautier, Philippe	Registrar	Belgium	ASG	ASG
Kim, Doo-young	Deputy Registrar	Republic of Korea	D-2	D-2
Slark, Garry M.	Chief of Administration	United Kingdom	P-5	P-5
Chérif, Lamine	Head of Conference and Linguistic Services	Tunisia	P-5	P-5
Savadogo, Louis	Legal Officer	Burkina Faso	P-4	P-4
Hinrichs, Ximena	Legal Officer	Chile	P-4	P-4
Guy, Pauline	Translator/Reviser (English)	United Kingdom	P-4	P-4
Ndungu, Florence	Head of Budget and Finance	Kenya	P-4	P-4
Mizerska-Dyba, Elzbieta	Librarian	Canada/Poland	P-4	P-4
Gbadoe, Alfred	Information Technology Officer	Germany	P-3	P-3
Vacant	Legal Officer		P-3	
Rostan, Jean-Luc	Translator (French)	France	P-3	P-3
Gaba Kpayedo, Kafui	Administrative Officer (Support/Building Management)	Togo	P-2	P-2
Suarez, Suzette	Associate Legal Officer	Philippines	P-2	P-2
Cummings, Philippa	Archivist	Canada	P-2	P-2
Ritter, Roman	Associate Administrative Officer (Contributions/Budget)	Germany	P-2	P-2
Ritter, Julia	Press Officer	United Kingdom	P-2	P-2

Total posts: 17

General Service

Name	*Title*	*Country of nationality*	*Level of post*	*Level of incumbent*
Prieto, Luis	Computer Systems Assistant	Spain	G-7	G-7
Vorbeck, Antje	Administrative Assistant (Personnel)	Germany	G-7	G-7
Bothe, Andreas	Building Coordinator	Germany	G-7	G-7
Egert, Anke	Publications/Personal Assistant (Registrar)	Germany	G-7	G-7
Winkelmann, Jacqueline	Administrative Assistant (Procurement)	Germany	G-7	G-7
Becker, Martine	Linguistic Assistant/Judiciary Support	France	G-6	G-6
Nas, Ellen	Personal Assistant (President)	Netherlands	G-6	G-6
Albiez, Berit	Linguistic Assistant/Judiciary Support	Germany	G-6	G-6
Hartmann-Vereshchak, Svitlana	Finance Assistant	Ukraine	G-6	G-6
Von Gregory, Inès	Administrative Assistant (Contributions)	Germany	G-6	G-6
Sadler, Gerardine	Administrative Assistant	Singapore	G-5	G-5
Bartlett, Emma	Personnel Assistant	United Kingdom	G-5	G-5
Borchert, Anne-Charlotte	Personal Assistant (Deputy Registrar)	France	G-5	G-5
Naegler, Thorsten	Finance Assistant (Accounts Payable)	Germany	G-5	G-5
Duddek, Sven	Senior Security Officer/Building Superintendent	Germany	G-4	G-4
Karanja, Elizabeth	Conference/Documentation Assistant	Kenya	G-4	G-4
Heim, Svenja	Library Assistant	Germany	G-4	G-4
Marzahn, Inga	Receptionist/Administrative Support	Germany	G-3	G-3
Ntinugwa, Chuks	Security Officer/Driver	Germany	G-3	G-3
Aziamble, Papagne	Security Officer/Driver	Togo	G-3	G-3

Total posts: 20

Annex II

Information on interns (2006)

Name	*Country*	*Period*
Atenas Rivera, Javiera	Chile	03.07.06-29.09.06
Egonu, Mabel	Nigeria	03.07.06-29.09.06
Essien, Edet	Nigeria	03.04.06-30.06.06
Gallala, Imen	Tunisia	03.04.06-30.06.06
Georgiades, Emily	Cyprus	09.10.06-29.12.06
Hong, Nong	China	02.05.06-30.06.06
Jain, Neha	India	01.08.06-29.09.06
Kaçar, Kenan	Turkey	01.02.06-28.04.06
Liu, Dan	China	01.03.06-28.04.06
Martins, Alexandre	Brazil	03.07.06-29.09.06
Mbibong, Perry	Cameroon	01.01.06-31.03.06
Ortega Lemus, Lesther Antonio	Guatemala	02.05.06-30.06.06
Paim, Maria	Brazil	04.10.06-22.12.06
Sachdev, Neha	India	20.01.06-10.03.06
Sharma, Ajit	India	01.11.05-27.01.06
Siriwardena, Sonali	Sri Lanka	01.02.06-31.03.06
Smiri, Salma	Tunisia	03.07.06-29.09.06
Randall, Tory	United States of America	01.06.06-11.08.06
Thor, Helene	Sweden	04.09.06-31.10.06
Wallrabenstein, Tilo	Germany	01.11.05-31.01.06
Yotova, Rumiana	Bulgaria	15.09.06-15.11.06

Annex III

List of donors to the Library of the International Tribunal for the Law of the Sea (2006)*

Professor Dr. Fernando Loureiro Bastos, University of Lisbon, Lisbon

Dr. Arnd Bernaerts, Hamburg, Germany

The International Center for Ethics, Justice and Public Life, Brandeis University, Waltham, Massachusetts, United States of America

Bundesforschungsanstalt für Fischerei, Hamburg, Germany

Mr. Anshuman Chakraborty, Victoria University of Wellington, Wellington

Comité Maritime International, Antwerp, Belgium

Conseil européen du droit de l'environnement/European Council on Environmental Law, Funchal, Madeira, Portugal

Professor Januário Da Rocha Nascimento, Cape Verde

Professor Angela Del Vecchio, Libera Università Internazionale degli Studi Sociali Guido Carli, Rome

Professor Bharat H. Desai, Jawaharlal Nehru University, School of International Studies, New Delhi

Division for Ocean Affairs and the Law of the Sea of the United Nations, New York

European Commission, Directorate-General for Fisheries, Brussels

European Commission, Office of Publications, Luxembourg

European Court of Human Rights, Strasbourg, France

Food and Agriculture Organization of the United Nations, Rome

Ms. Inken von Gadow-Stephani, Hamburg, Germany

German Advisory Council on Global Change (WBGU), Berlin

Germanischer Lloyd, Hamburg, Germany

Professor Edgar Gold, University of Queensland, TC Beirne School of Law, Australia

High Seas Task Force, Paris

Inter-American Court of Human Rights, San José

Inter-American Tropical Tuna Commission, La Jolla, California, United States of America

Inter-Parliamentary Union, Geneva

International Court of Justice, The Hague, Netherlands

International Labour Office, Geneva

International Maritime Organization, London

* As at 31 December 2006.

International Oil Pollution Compensation Funds, London

International Seabed Authority, Kingston

International Union for Conservation of Nature and Natural Resources, Gland, Switzerland

International Whaling Commission, Cambridge, United Kingdom of Great Britain and Northern Ireland

Japan Branch of the International Law Association, University of Tokyo, Faculty of Law, Tokyo

Japanese Society of International Law, Tokyo

Mr. Maurice K. Kamga, c/o T.M.C. Asser Institute, The Hague, Netherlands

Professor Barbara Kwiatkowska, The Netherlands Institute for the Law of the Sea, Utrecht, Netherlands

Professor Dr. Rainer Lagoni, Law of the Sea and Maritime Law Institute, University of Hamburg, Hamburg, Germany

Dr. Ignacio Llanos Mardones, First Secretary, Permanent Mission of Chile to the United Nations, New York

Mare, Die Zeitschrift der Meere, Hamburg, Germany

Max-Planck-Institut für ausländisches öffentliches Recht und Völkerrecht, Heidelberg, Germany

Secretaría de Medio Ambiente y Recursos Naturales, Mexico City

National Maritime Foundation, New Delhi

Northwest Atlantic Fisheries Organization, Dartmouth, Nova Scotia, Canada

Oceans Institute of Canada, Halifax, Nova Scotia, Canada

Office of the Registrar, Administrative Tribunal of the International Monetary Fund, Washington, D.C.

Mr. Jorge Antonio Ortega Gaytán, Guatemala City

Partnerships in Environmental Management for the Seas of East Asia, Manila

Peace Palace Library, The Hague, Netherlands

Permanent Court of Arbitration, The Hague, Netherlands

Professor Nicholas M. Poulantzas, Athens

Professor Shabtai Rosenne, Jerusalem

Ms. Ellen Schaffer, Santiago de Chile

Ms. Salma Smiri, Tunis

UNESCO Institute for Education, Hamburg, Germany

United Nations Development Programme, New York

Vrije Universiteit, Faculteit der Rechtsgeleerdheid, Amsterdam

Walther-Schücking-Institut für Internationales Recht an der Universität Kiel, Kiel, Germany

World Meteorological Organization, Geneva

World Trade Organization, Geneva

Ms. Ling Zhu, Hamburg, Germany

United Nations Convention on the Law of the Sea SPLOS/153

Meeting of States Parties

Distr.: General
28 March 2007

Original: English

Seventeenth Meeting
New York, 14 and 18-22 June 2007

Report of the external auditor for the financial period 2005-2006, with financial statements of the International Tribunal for the Law of the Sea as of 31 December 2006

Presented by the Tribunal

1. BDO Warentreuhand Aktiengesellschaft (hereinafter "the Auditor") audited the financial statements of the Tribunal for the financial period 1 January 2005 to 31 December 2006 in February 2007 and submitted its report on 16 February 2007.

2. It is noted from the report that the Auditor was of the view that the financial statements were in accordance with the Financial Regulations and Rules of the Tribunal and gave a true and fair view of the net assets, financial position and results of operations of the Tribunal. The Auditor also noted that the accounting principles were applied on a basis consistent with that of the preçeding financial period. The Auditor further stated that transactions were in accordance with the Financial Regulations and Rules of the Tribunal and legislative authority.

3. In accordance with financial regulation 12.8 (SPLOS/36), the Tribunal examined the Auditor's report on the financial statements at its twenty-third session and decided to forward it to the Meeting of States Parties.

07-28712 (E) 190407

Report of the external auditor for the financial period 2005-2006, with financial statements of the International Tribunal for the Law of the Sea as of 31 December 2006

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I. Assignment

During the fifteenth Meeting of States Parties to the United Nations Convention on the Law of the Sea from 16 to 24 June 2005 we were appointed as auditors of the **International Tribunal for the Law of the Sea**, Hamburg (hereinafter also referred to as "the Tribunal", for the financial period from 1 January 2005 to 31 December 2006. Accordingly the Registrar of the Tribunal assigned us to audit the financial statements, including the bookkeeping, of the Tribunal for the period from 1 January 2005 to 31 December 2006.

Within the scope we have additionally audited certain aspects of operating procedures for the financial period from 1 January 2005 to 31 December 2006 requested by the Tribunal. The additional audit scope included the following:

(a) Whether expenses incurred during this financial period are in accordance with the appropriations approved by the Meeting of States Parties;

(b) Whether expenditures incurred during this financial period have been appropriately authorized by the party designed for that purpose in the Financial Regulations and Rules of the Tribunal;

(c) Whether staff and persons being paid by the Tribunal have been recruited or engaged in the manner provided in the Staff Rules of the Tribunal and the Financial Regulations and Rules of the Tribunal;

(d) Whether goods and services have been procured in accordance with the procedures provided for in the Financial Regulations and Rules of the Tribunal;

(e) Whether goods and services that have been procured are necessary or not excessive, having regard to circumstances and the functions of the Tribunal;

(f) Whether the grant given to the Tribunal by the Korea International Cooperation Agency of the Republic of Korea (KOICA), maintained in a separate trustee account, is administered in accordance with the memorandum of understanding dated 9 March 2004.

This audit report was only prepared for purposes of documenting the audit performed vis-à-vis the Tribunal and not for purposes of third parties.

We conducted our audit work in February 2007 in the premises of the Tribunal in Hamburg. The report was accomplished in our office in Lübeck.

Our audit report was prepared in accordance with German generally accepted reporting standards applicable to the audit of financial statements (auditing standard PS 450 of the German Institute of Auditors, Düsseldorf (Institut der Wirtschaftsprüfer in Deutschland e. V. — IDW).

For the performance of the audit assignment and our responsibility, including those to third parties, the general terms of assignment for auditors and audit companies as of 1 January 2002, as well as the special conditions for the increase of liability in connection with the general terms of assignment, are applicable. These terms are set out in appendix VI. The increase of liability is not applicable if for professional performances, especially audits required by law, a lower amount of liability is determined by law. In those cases, the legally determined amount of liability is applicable.

II. General statements

Budget and financial performance of the Tribunal

The Meeting of States Parties at its fourteenth meeting (14-18 June 2004) approved the budget of the Tribunal for the financial period 1 January 2005 to 31 December 2006, amounting to €15,506,500, as set out in document SPLOS/117. The Meeting of States Parties at its fifteenth meeting (16-24 June 2005) approved a supplementary budget of €351,899 for the biennium 2005-2006 as set out in document SPLOS/133. Therefore, the total assessed contributions for the biennium 2005-2006 amounted to €15,858,399. According to the decision of the Meeting of States Parties, the approved supplementary budget should only finance, if necessary, the increase in the annual remuneration of the judges of the Tribunal.

With a view to providing the Tribunal with the necessary financial means to consider cases in 2005-2006, in particular those requiring expeditious proceedings, the Meeting of States Parties also approved an amount of €2,093,200 as case-related costs of the Tribunal. The case-related costs shall only be used in the event of cases being submitted to the Tribunal.

The statement of income, expenditures and changes in reserves and fund balances for the financial period from 1 January 2005 to 31 December 2006 shows an excess of income over expenditure of €2,605,614 (appendix I, p. 12).

Total income of €15,999,244 includes assessed contributions (€15,858,399) and other net income (€140,846). Other net income consists of interest income (€135,722), savings due to cancellation of prior-period obligations (€5,492), net losses of exchange (€12,926) resulting from fluctuations in exchange rates and miscellaneous net income (€12,558).

From the approved budget for the financial period 2005-2006 amounting to €15,506,500 (without the supplementary budget of €351,899) a total amount of €13,393,630 was spend against approved budget lines, resulting in savings of €2,112,870 (appendix II). Although the overall budget was underspent, overexpenditures were incurred in the budget lines "Annual allowances" (€543,273) and "Special allowances" (€56,160) in the appropriation section "Judges" under recurrent expenditures. These overexpenditures were due to an increase in the daily subsistence allowance fixed by the United Nations and the application of the floor/ceiling mechanism to the annual allowance and special allowance of the judges of the Tribunal according to the decisions of the fifteenth Meeting of States Parties, as set out in the documents SPLOS/132 and SPLOS/133. Any overexpenditures arising from these decisions should be first financed by transfers between appropriations sections as far as possible, then by using savings from the financial period 2002 and savings from the financial period 2004, and finally by using the supplementary budget. The Tribunal was able to finance the overexpenditures by transfers from the savings in the appropriation section "Judges" under "Case-related costs". Therefore, it was not necessary to either utilize the savings from prior periods or the supplementary budget.

The savings under recurrent expenditures were mainly achieved in the appropriation sections "Staff costs" (€288,300) and "Operating expenditures" (€169,769). Due to vacant posts during the financial period 2005-2006, expenditures

in the budget lines "Established posts" and "Common staff costs" were lower than planned in the budget.

Budget estimates included in "Case-related costs" are mainly based on the number of cases submitted to the Tribunal during the financial period. In the financial period 2005-2006 no case was submitted to the Tribunal resulting in savings in "Case-related costs" in the amount of €2,068,915. The expenses shown under "Case-related costs" (€24,285) resulted from the meeting of the Tribunal's Chamber to deal with Case No. 7 in December 2005.

The Tribunal realized positive cash flows from operating activities in the financial period 2005-2006 (€2,228,544) (appendix I, p. 12) mainly resulting from the excess of income overexpenditure for the respective period. The positive cash flows from investing and financing activities consist of interest income (€135,722). The negative cash flows from other sources (-€381,940) mainly result from the surrender of prior year savings and reserves to the States Parties. In total, cash and term deposits of the Tribunal increased by €1,982,326 to €3,916,548.

Total reserves and fund balances increased by €2,279,563 to €3,839,232 mainly due to the excess of income overexpenditure in the financial period 2005-2006. The prior period gains reserve shown under reserves and fund balances as of 31 December 2004 in the amount of €106,899 ($141,766) was surrendered and deducted from the assessed contributions of the States Parties in 2005. In addition, the sixteenth Meeting of States Parties on 23 June 2006 decided that an amount of €312,684 from the 2002 savings should be surrendered and deducted from the assessed contributions of the States Parties in the financial period 2007-2008. Therefore, the amount of €312,684 is shown as a liability as at 31 December 2006 under "Surrender of savings from prior years".

III. Nature and scope of the audit

We examined the bookkeeping and the financial statements of the Tribunal (including the statement of income and expenditures and changes in reserves and fund balances, the statement of assets, liabilities, reserves and fund balances, the statement of cash flows, the notes to the financial statements and the financial report of the Registrar).

In addition, we examined certain aspects of operating procedures including the administration of the KOICA grant, as requested by the Tribunal (we refer to section I, Assignment).

The accounting records, the preparation and presentation of the financial statements, the establishment and maintenance of an adequate internal control system according to the Financial Regulations and Rules of the Tribunal and the information given to us are the responsibility of the Registrar of the Tribunal. Our responsibility is to examine the financial statements and the underlying data and to express an opinion on them in accordance with professional standards.

We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the

financial statements in accordance with generally accepted accounting principles are detected with reasonable assurance. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Registrar of the Tribunal, as well as evaluating the overall presentation of the financial statement.

Our audit was based on the prior year's financial statements, audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, and rendered an unqualified audit opinion dated 20 May 2005. In auditing the values in the opening balance sheet, we relied especially on the audit report of the prior year's auditors. The audit of the opening balances was conducted in accordance with auditing standard PS 205 of the German Institute of Auditors.

During the course of our audit we applied risk oriented audit procedures in compliance with international Standards of Auditing.

According to those standards, we developed a risk profile for the financial statements, taking into account our assessment of inherent risks and the internal control environment related to the accounting system. We assessed the internal control structure related to the accounting system to the extent we considered necessary to evaluate the system. Within the scope of our audit planning, we gathered information on the business activity and the economic and legal environment of the Tribunal.

Considering the risk profile and the assessment of the internal control structure, we conducted substantive audit procedures. By applying substantive analytical audit procedures and other substantive audit procedures a major focus was put on:

- Cash and term deposits
- Contribution receivables from States Parties
- Contributions received in advance
- Obligations, current period
- Reserves and fund balances
- Assessed contributions
- Interest income
- Major expenditures

The audit procedures related to substantive audit procedures were conducted on a test basis. The selection of the test sample was made in accordance with auditing standards.

We received balance confirmations from all banks of the Tribunal.

The Registrar provided us with all the necessary information and supporting documentation requested. In the general representation letter, dated 16 February 2007, the Registrar assured the completeness of the information given to us as well as the completeness of the bookkeeping and financial statements.

IV. Statements and explanations on the financial reporting

A. Conformity of the financial reporting

1. Bookkeeping and other audited evidence

The bookkeeping is made in accordance with the Financial Regulations and Rules of the Tribunal. All information derived from the other audited evidence is reflected in the bookkeeping and the financial statements.

2. Financial statements

The financial statements are set out in appendix I. In our opinion, based on our audit evidence, the financial statements are established in conformity with the Financial Regulations and Rules of the Tribunal.

The statement of assets, liabilities, reserves and fund balances, the statement of income and expenditures and changes in reserves and fund balances and the statement of cash flows were correctly established based on the bookkeeping and underlying data. The notes to the financial statements include all required disclosures and explanations as well as additional requirements.

B. True and fair view of the financial statements

The financial statements present a true and fair view of the financial position and the results of operations.

Based on our examination, the accounting principles used by the Tribunal were applied on a basis consistent with that of the preceding financial report.

We point out that, consistent with the prior financial periods, expenditures are accounted for on an accrual basis except for those relating to staff entitlements and pension obligations for the judges of the Tribunal, which are accounted for on a cash basis. Therefore, no provisions are made for any future liabilities arising from staff entitlements due to repatriation, accumulated leave, compensatory time and pension to judges in the financial statements of the Tribunal. These liabilities are disclosed as contingent liabilities in the notes to the financial statements.

V. Statements on the additional audit scope

The examination of the operational procedures including the administration of the KOICA grant did not lead to any reservation. We refer to our audit procedures and explanations, which are set out in appendix IV.

VI. Rendered opinion

We have rendered the following unqualified opinion on the financial statements (set out in appendix I) of the **International Tribunal for the Law of the Sea, Hamburg**, for the financial period from 1 January 2005 to 31 December 2006, signed on 16 February 2007 in Lübeck:

"To the International Tribunal for the Law of the Sea

We have audited the financial statements (consisting of the statement of income and expenditures and changes in reserves and fund balances, statement of assets, liabilities, reserves and fund balances, notes to the financial statements, statement of cash flows and financial report of the Registrar), together with the accounting system of the International Tribunal for the Law of the Sea, Hamburg, for the period from 1 January 2005 to 31 December 2006. The maintenance of the books and records and the preparation of the financial statements pursuant to the Financial Regulations and Rules of the International Tribunal for the Law of the Sea are the responsibility of the Registrar. Our responsibility is to express an opinion on the financial statements, together with the accounting system based on our audit.

We conducted our audit of the financial statements in accordance with Section 317 HGB ("Handelsgesetzbuch": German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the International Tribunal for the Law of the Sea and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting related internal control system and the evidence supporting the disclosures in the books and records and the financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Registrar, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on our audit, the financial statements are in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea and give a true and fair view of the net assets, financial position and results of operations of the International Tribunal for the Law of the Sea. The accounting principles were applied on a basis consistent with that of the preceding financial period. Transactions were in accordance with the Financial Regulations and Rules of the International Tribunal for the Law of the Sea and legislative authority."

This report on the audit of the financial period from 1 January 2005 to 31 December 2006 of the International Tribunal for the Law of the Sea was issued in accordance with the legal requirements and the standards of orderly reporting on the audit of financial statements.

Lübeck, 16 February 2007

BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

(*Signed*) (Herbers)
Wirtschaftsprüfer

(*Signed*) (ppa. Beecker)
Wirtschaftsprüfer

Appendix I

International Tribunal for the Law of the Sea, Hamburg
Statement of income and expenditures and changes in reserves and fund balances for the period from 1 January 2005 to 31 December 2006

	Notes	*2005-2006 (In euros)*
Income		
Assessed contributions	3	15 858 399
Other income		
Interest income		135 722
Savings due to cancellation of prior period obligations		5 492
Gains and losses on exchange		(12 926)
Miscellaneous income and expenses		12 558
Total income		**15 999 244**
Expenditures	4	
Total expenditures and obligations (appendix II)		(13 393 630)
Excess of income overexpenditures		**2 605 614**
Exchange rate effect on Working Capital Fund conversion		92 032
Surrender to States Parties in 2005-2006		(106 899)
Surrender to States Parties in 2007		(312 684)
Exchange rate effect on surrender in 2007		1 500
		2 279 563
Fund balances at the beginning of financial period		1 559 669
Fund balances as at 31 December 2006		**3 839 232**

International Tribunal for the Law of the Sea, Hamburg
Statement of assets, liabilities, reserves and fund balances
for the period from 1 January 2005 to 31 December 2006

	Notes	*2005-2006 (In euros)*	*Memorandum 2004 (In euros)*[a]	*Audited financial statements 2004 (In United States dollars)*
Assets				
Cash and term deposits		3 915 548	1 934 222	2 565 281
Accounts receivable	6			
Contributions receivable from States Parties		1 852 532	1 938 368	2 570 780
Tax reimbursements due		154 116	73 479	97 452
Accounts receivable — others		181 902	263 208	349 082
Total assets		**6 105 098**	**4 209 277**	**5 582 595**
Liabilities	7			
Contributions received in advance		1 280 226	1 202 422	1 594 725
Surrender of savings from prior years		312 684	368 573	488 824
Surrender of withholdings from staff assessments		0	423 957	562 277
Obligations current period		634 186	597 537	792 489
KOICA fund		177	177	234
Staff assessment special account		38 593	56 942	75 520
Total liabilities		**2 265 866**	**2 649 608**	**3 514 069**
Reserves and fund balances	8			
Working Capital Fund		959 132	867 100	1 150 000
Reserve for 2004		65 816	377 000	500 000
Prior period gains reserve		208 670	106 899	141 776
Excess of income overexpenditure		2 605 614	208 670	276 750
Total reserves and fund balances		**3 839 232**	**1 559 669**	**2 068 526**
Total liabilities, reserves and fund balances		**6 105 098**	**4 209 277**	**5 582 595**

[a] For comparative purposes, the United States dollar amounts from the 2004 audited financial statements have been converted into euros at the 2004 year-end exchange rate of €1.00=$0.754.

International Tribunal for the Law of the Sea, Hamburg
Statement of cash flows for the period from 1 January 2005 to 31 December 2006

	(In euros)
Cash flows from operating activities:	
Net excess (shortfall) of income overexpenditure	2 605 614
(Increase) decrease in contributions receivable	85 836
(Increase) decrease in tax reimbursements due	(80 637)
(Increase) decrease in other accounts receivable	81 306
Increase (decrease) in contributions received in advance	77 804
Increase (decrease) in surrender of withholdings from staff assessments	(423 957)
Increase (decrease) in obligations current period	36 649
Increase (decrease) in Korea Fund	—
Increase (decrease) in staff assessment special account	(18 349)
Less: interest income	(135 722)
Net cash from operating activities	**2 228 544**
Cash flows from investing and financing activities:	
Plus: interest income	135 722
Net cash from investing and financing activities	**135 722**
Cash flows from other sources:	
Increase (decrease) in working capital fund	92 032
Increase (decrease) in prior period gains reserve	(106 899)
Increase (decrease) in reserve for 2004	(311 184)
Increase (decrease) in surrender of savings from prior years	(55 889)
Net cash from other sources	**(381 940)**
Net increase (decrease) in cash and term deposits	**1 982 325**
Cash and term deposits at beginning of period	**1 934 222**
Cash and term deposits at end of period	**3 916 548**

International Tribunal for the Law of the Sea, Hamburg

Notes on the financial statements for the period from 1 January 2005 to 31 December 2006

Note 1
Statement of the objectives and activities of the Tribunal

The International Tribunal for the Law of the Sea (ITLOS) is an international judicial body established by the United Nations Convention on the Law of the Sea ("the Convention") to adjudicate disputes arising out of the interpretation or application of the Convention. It began its activities in 1996. The Tribunal is open to States Parties to the Convention and, in certain cases, to entities other than States Parties (such as international organizations and natural or juridical persons). The jurisdiction of the Tribunal comprises all disputes submitted to it in accordance with the Convention. It also extends to all matters specifically provided for in any other agreement which confers jurisdiction upon the Tribunal. The Tribunal is composed of 21 independent members elected by the States Parties to the Convention.

Note 2
Summary of significant accounting policies

On 12 June 2003, the thirteenth Meeting of States Parties adopted the Financial Regulations of the Tribunal and decided that they should become effective on 1 January 2004 and apply to the financial period 2005-2006 and subsequent financial periods (SPLOS/100). Pursuant to financial regulation 10.1 (a), the Tribunal adopted its Financial Rules in 2004. The Meeting of States Parties took note of the Financial Rules at its fourteenth Meeting. The Financial Rules became effective on 1 January 2005.

It may be noted that, due to a change in the financial period from a one-year period to a two-year period and a change in the reporting currency from the United States dollar to the euro, the statement of income and expenditures and changes in reserves and fund balances shows the current period only.

Financial period

Pursuant to financial regulation 2, the financial period, which is the subject of this report, is for the two-year period from 1 January 2005 to 31 December 2006.

Currency of accounts

Pursuant to financial regulation 11.2, the presentation currency is the euro. The accounting records are also maintained in euro.

Foreign currency transactions

Transactions in currencies other than the euro are converted to the euro using the United Nations operational rates of exchange except for assessed contributions paid in United States dollars. For the conversion of paid contributions from United States dollar into euro, the most favourable rate of exchange available to the Tribunal on the date of the payment is used, in accordance with financial rule 105.2.

The differences in exchange rates between the dates of recording the transactions and when actual transactions are settled are recorded in the statement of income and expenditures and changes in reserves and fund balances as gains or losses on exchange.

Assets and liabilities in currencies other than the euro are revalued at the end of the financial period at the prevailing United Nations operational rates of exchange. The revaluation amounts are recorded in the statement of income and expenditures and changes in reserves and fund balances as gains or losses on exchange.

Income

Income consists of assessed contributions from the States Parties. Contributions for the two-year financial period are assessed 50 per cent in year one and 50 per cent in year two. All other income received by the Tribunal is classified as miscellaneous income and is included as general resources (see note 3).

Expenditures

All the expenditures of the Tribunal are recorded against allocated lines of budgetary appropriation. In the financial period 2005-2006, the Tribunal was able to finance the overexpenditure in section 1, "Judges" by transfers between appropriation sections, in accordance with the decisions taken by the fifteenth Meeting of States Parties (SPLOS/132 and SPLOS/133) (see note 4).

Expenditures of the Tribunal are accounted for on an accrual basis, except for those relating to staff entitlements, which are accounted for on the basis of cash disbursements. No provision is made for any future liabilities arising from staff entitlements due to repatriation, accumulated annual leave and compensatory time (see note 5).

Assets and liabilities

All funds received are deposited into the Tribunal's bank accounts, including those under special account arrangements, and reflected as cash holdings. Non-expendable equipment (especially computer hardware and software) is not included in the assets but is charged against the current appropriations when acquired. A separate listing of non-expendable equipment is maintained for control purposes. Assets are valued at nominal value. Liabilities are valued at the repayment amount.

Working Capital Fund

The eighth Meeting of States Parties, in 1998, authorized the establishment of a working capital fund to ensure continuity of operation in the event of temporary shortfalls in funds and to provide the Tribunal with the necessary financial means to consider cases, in particular those involving urgent proceedings.

For the purposes of the Tribunal, an amount of approximately 8 per cent of its annual budget (4 per cent of its biennial budget) is considered appropriate, in line with United Nations practice. The current amount available to the Tribunal is €542,118, which was converted from $650,000 in November 2005, in accordance with the Financial Regulations of the Tribunal.

The current level of €542,118 represents 3.15 per cent of the approved budget of the Tribunal for 2007-2008. An adequate level in the Working Capital Fund would be €688,588 (4 per cent of the biennial budget). To minimize increases in the 2007-2008 budget, it was not proposed to increase the Working Capital Fund in 2006.

In addition to the $650,000 referred to above, the twelfth Meeting of States Parties in 2002 approved, on an exceptional basis, the appropriation of $500,000 (being part of the savings from the financial period 2001) to the Working Capital Fund of the Tribunal, in order to provide the Tribunal with the necessary financial means, in the event of temporary shortfalls in funds, to consider cases where the expenditure could not be met from case-related costs or from the transfer of funds between appropriation sections (SPLOS/L.28). This amount was converted into €417,014 in November 2005 in accordance with the Financial Regulations of the Tribunal.

The Working Capital Fund currently stands at €959,132.

Note 3
Income

The Tribunal's income in the financial period 2005-2006 totalled €15,999,244.

Income includes contributions of 152 States Parties (including the European Community) totalling €15,858,399 and other net income from different sources, including €351,899 for the 2005-2006 supplementary budget of the Tribunal as decided by the Meeting of States Parties in June 2005 (SPLOS/133).

Total income also includes:

(a) Interest income of €135,722 earned on deposit accounts;

(b) Savings due to the cancellation of prior period obligations in the amount of €5,492;

(c) Net loss of €12,926 from gains and losses on exchange resulting from foreign currency translations and revaluations of foreign currency account balances;

(d) Net miscellaneous income of €12,558, which includes reimbursement of taxes and refunds from the water and electricity suppliers.

Note 4
Expenditures

The budget for the financial period 2005-2006 was approved by the Meeting of States Parties in June 2004 (SPLOS/117). Budget estimates were based on the United States dollar to euro exchange rate of $1.00 to €0.804 in March 2004. By the end of the financial period, the exchange rate was $1.00 to €0.754. This represents an increase of 6.6 per cent in the value of the euro against the United States dollar. However, this had no significant impact on the expenditure of the Tribunal.

The fifteenth Meeting of States Parties approved a supplementary budget of €351,899 in June 2005 in order to finance, if necessary, the adjusted maximum annual remuneration of members of the Tribunal, the increase in the daily subsistence allowance fixed by the United Nations in the budget line "Special allowance of judges" and the application of the floor/ceiling mechanism to the

annual allowance and the special allowance of members of the Tribunal. Any overexpenditure arising from these decisions should be first financed by transfers between appropriation sections as far as possible, then by using savings from the financial period 2002 (€378,500) and savings from the financial period 2004 (up to an amount of €150,000), and finally by the supplementary budget (SPLOS/132 and SPLOS/133).

The expenditures for the financial period 2005-2006 totalled €13,393,630. Although the overall budget was underspent, there was an overexpenditure in the amount of €438,494 in section 1, "Judges", due to the increase that resulted from the application of the above-mentioned decisions (SPLOS/132 and SPLOS/133). In order to finance the overexpenditure it was not necessary to either utilize the savings of previous years or the supplementary budget and, in accordance with the decisions of the Meeting of States Parties, the Tribunal was able to finance the overexpenditures by a transfer between appropriation sections. Consequently, the amount of €438,494 has been financed by a transfer from the savings in the section "Judges", under "Case-related costs".

Note 5
Contingent liability

A net contingent liability for staff benefits at 31 December 2006 amounting to €367,529 consists of the following:

Contingent liability	*Amount (in euros)*
Accumulated annual leave	196 785
Compensatory time	1 979
Entitlement due to repatriation	168 765
Total	**367 529**

All contingent expenditures will be charged against the budget appropriations in the period when actual payments are made. A record of all commitments for future periods, which shall constitute the first changes against relevant appropriations once these are approved by the Meeting of States Parties, is maintained in the financial statements. In accordance with the Staff Regulations and Rules of the Tribunal the contingent liability reflected above is based on net remuneration.

In addition to the above contingent liabilities there is a liability for pension plan costs for the elected members of the Tribunal. However, these expenditures are charged against the budget appropriations in the period when actual payments are made.

Note 6
Accounts receivable

Contributions receivable from States Parties as at 31 December 2006 total €1,852,532, as detailed below. The amount of more than one year overdue totals €982,963. The amount overdue from assessed contributions for the financial period 2005-2006 totals €869,569.

Year of assessment	*Amount (in euros)*
1996/97	36 142
1998	22 728
1999	25 056
2000	42 700
2001	189 912
2002	237 002
2003	204 850
2004	224 573
2005	344 362
2006	525 207
Total	**1 852 532**

"Tax reimbursements" due represent mainly refunds of value added tax.

"Accounts receivable — others" include amounts due mainly from staff, the United Nations and the German authorities (Premises Agreement) and various other smaller amounts.

Note 7
Liabilities

The liabilities of the Tribunal as at 31 December 2006 include:

(a) Contributions received in advance from States Parties for the budget period 2007-2008 (€1,280,226);

(b) Obligations from the 2002 savings which were surrendered in 2006 and deducted from the contributions of the States Parties to the 2007-2008 budget (€312,684);

(c) Obligations arising from goods and services procured in the financial period 2005-2006 (€634,186);

(d) Staff assessment special account maintained for reimbursement of national taxes (€38,593).

Note 8
Funds and reserves

The Working Capital Fund currently stands at €959,132. This corresponds to the equivalent amount in euros envisaged in the decision of the eleventh Meeting of States Parties (SPLOS/70). As reported to the Meeting of States Parties in

June 2006, this sum was converted from $1,150,000 to €959,132 on 8 November 2005 at the rate of $0.829.

The reserve for 2004 represents the balance of the initial 2002 excess income allocated to the 2004 budget. As decided by the Meeting of States Parties in 2006, an amount of €312.684 from the 2002 savings will be surrendered to the States Parties in 2007 as a reduction of their 2007-2008 assessed contribution (SPLOS/146). When this decision was taken, the surrender amount was calculated using a different exchange rate resulting in a €1,500 exchange loss which is included in exchange gains and losses in the statement of income and expenditures and changes in reserves and fund balances for 2005-2006.

The prior period gains and reserves represent the excess income over expenditures from the prior financial period 2004. The prior period gains reserve (savings from the 2003 budget) of €106,899 was surrendered and deducted from the assessed contributions of the States Parties in 2005.

International Tribunal for the Law of the Sea, Hamburg

Financial report of the Registrar for the period from 1 January 2005 to 31 December 2006

Introduction

1. The Registrar of the International Tribunal for the Law of the Sea submits herewith the financial report for the financial period 1 January 2005 to 31 December 2006, these being the ninth financial period and the ninth financial report.

2. The financial report includes the statement of income and expenditures and changes in reserves and fund balances for the period from 1 January 2005 to 31 December 2006 (appendix I, p. 10); the statement of assets, liabilities, reserves and fund balances as of 31 December 2006 (appendix I, p. 11); the statement of cash flows for the biennium 2005-2006 (appendix I, p. 12); the expenditure report or the period 2005-2006 (appendix II); and the status of contributions for the period 1996-2006 to the International Tribunal for the Law of the Sea (appendix V). The appendices are provided in order to facilitate the review of the report by States Parties. The statements are in compliance with the Tribunal's Financial Regulations and Rules and are in line with formats agreed for the harmonization of the accounts of agencies and organizations in the United Nations Common System. The financial report provides the financial results of the Tribunal's activities in 2005 and 2006. Elements of particular importance are summarized in the paragraphs below.

3. The cash balance of €3,916,548 as at 31 December 2006 represents an increase compared with the 2004 year-end cash balance, which stood at $2,565,281 (€1,934,222). This result was due mainly to an increase in the collection of contributions from States Parties and the savings from the financial period.

Income

4. Income in the financial period 2005-2006 included assessed contributions amounting to €15,858,399 from 152 States Parties (including the European Community). Of the total amount of contributions for the financial period

2005-2006, €869,569 was outstanding as at 31 December 2006. The balance of unpaid contributions with respect to the overall budget of the Tribunal (1996/97 to 2005-2006) amounted to €1,852,532 on that date. In addition, other net income from various sources, such as interest income and the cancellation of prior period obligations after adjustments for exchange rate differences and miscellaneous losses, totalled €140,846.

Of the total income from contributions of States Parties for the financial period 2005-2006, an amount of €869,569 was outstanding at the end of this period. With regard to the previous budgets of the Tribunal, amounts of €36,142 for 1996/97, €22,728 for 1998, €25,056 for 1999, €42,700 for 2000, €189,912 for 2001, €237,002 for 2002, €204,850 for 2003 and €224,573 for 2004 were still outstanding. The balance of unpaid contributions with respect to the overall budgets of the Tribunal (1996/97 to 2005-2006) therefore amounts to €1,852,532. No provision for doubtful accounts receivable for the overdue balances is envisaged under the Tribunal's Financial Regulations and Rules.

Expenditures

5. The expenditures of the Tribunal for the financial period 2005-2006 totalled €13,393,630. Owing mainly to the adjusted maximum annual remuneration of judges and the application of the floor/ceiling mechanism, there was an overexpenditure in section 1, "Judges"; however, in accordance with the decision of the Meeting of States Parties (SPLOS/132), a transfer between appropriations was possible as a result of savings under "Case-related costs". The optimum use of resources in other budget lines and the fact that no new cases were submitted during the financial period concerned also contributed to the approved budget for the period (€15,506,500) being underspent. It may be noted that an amount of €24,285 was spent under "Case-related costs" in relation to the meeting of the Tribunal's Chamber constituted to deal with Case No. 7 in December 2005.

Consequently the supplementary budget for 2005-2006 approved by the Meeting of States Parties and the savings from the financial periods 2002 and 2004 as envisaged in SPLOS/132 and SPLOS/133 were not utilized.

Special accounts

6. In accordance with the decision of the Meeting of States Parties (SPLOS/98), the staff assessment accumulated in the special account as at 31 December 2003 was surrendered and deducted from the contributions of the States Parties to the 2005 budget. An amount of €38,593 was set aside to reimburse members and officials of the Tribunal for national taxes charged in respect of remuneration paid by the Tribunal in 2004.

7. In accordance with the decision of the Meeting of States Parties (SPLOS/146), an amount of €312,684 from the 2002 savings corresponding to the additional appropriations for 2005 will be surrendered and deducted from the assessed contributions of the States Parties for 2007 in accordance with regulation 4.5 of the Financial Regulations of the Tribunal.

8. As reported to the fourteenth Meeting of States Parties (SPLOS/119), following the signing of a memorandum of understanding between the Tribunal and the Korea International Cooperation Agency (KOICA) on 9 March 2004, a trust

fund, known as the KOICA grant, was set up to support the Tribunal's internship programme and provide financial assistance for interns from developing countries. The grant was initially funded in the sum of $150,000. The Tribunal received a further contribution amounting to $100,000 from KOICA in March 2006. The total sum of the grant has been converted into €205,000 and, as at 31 December 2006, the balance stood at €57,202. The audited financial statement for the trust fund will be circulated at the Meeting of States Parties in June 2007.

9. As reported to the sixteenth Meeting of States Parties (SPLOS/148), the Tribunal had planned a series of regional workshops, organized jointly with the International Foundation for the Law of the Sea. The first of these workshops was held in Dakar, from 31 October to 2 November 2006. The sum of €36,881 was withdrawn from the KOICA grant to provide funding for the workshop.

Institutional arrangements

10. The financial records of the Tribunal were maintained in the network version of the Sun computerized accounting system.

(*Signed*) Philippe **Gautier**
Registrar

Appendix II

International Tribunal for the Law of the Sea, Hamburg

Expenditure report for the period from 1 January 2005 to 31 December 2006

(In euros)

	Part Section	Objects of expenditure	2005-2006 approved budget	2005-2006 total expenditure (as at 31/12/2006)	Balance	Total expenditure/ approved budget (percentage)	
1	I	**Recurrent expenditure**					1
2	1	**Judges**	**3 462 300**	**3 900 794**	**(438 494)**		2
3		Annual allowances	1 996 600	2 539 873	(543 273)	127.21	3
4		Special allowances	620 600	676 760	(56 160)	109.05	4
5		Travel to session	246 300	238 271	8 029	96.74	5
6		Judges' pension scheme	479 300	355 363	123 937	74.14	6
7		Common costs	119 500	90 527	28 973	75.76	7
8	2	**Staff costs**	**6 632 700**	**6 344 400**	**288 300**		8
9		Established posts	4 358 000	4 205 062	152 938	96.49	9
10		Common staff costs	1 792 900	1 724 489	68 411	96.18	10
11		Reimbursement of national taxes	30 000	30 000	3	100.00	11
12		Overtime	39 000	36 753	2 247	94.24	12
13		Temporary assistance for meetings	213 400	184 875	28 525	86.63	13
14		General temporary assistance	133 100	117 399	15 701	88.20	14
15		Training	66 300	45 822	20 478	69.11	15
16	3	**Representation allowance**	**12 200**	**12 188**	**12**	99.90	16
17	4	**Official travel**	**172 200**	**169 348**	**2 852**	98.34	17
18	5	**Hospitality**	**13 200**	**12 929**	**271**	97.95	18
19	6	**Operating expenditures**	**2 653 700**	**2 483 931**	**169 769**		19
20		Maintenance of premises (including security)	1 953 000	1 905 245	47 755	97.55	20
21		Rental and maintenance of equipment	332 600	307 601	24 999	92.48	21
22		Communications	182 700	144 827	37 873	79.27	22
23		Miscellaneous services and charges (including bank charges)	37 900	29 779	8 121	78.57	23
24		Supplies and materials	114 700	89 479	25 221	78.01	24
25		Special services (external audit)	32 800	7 000	25 800	21.34	25
26	7	**Library and related costs**	**317 000**	**301 325**	**15 675**	95.06	26
27		Library, procurement of books and publications	227 400	212 271	15 129	93.35	27
28		External printing and binding	89 600	89 054	546	99.39	28
29							29

	Part / Section	Objects of expenditure	2005-2006 approved budget	2005-2006 total expenditure (as at 31/12/2006)	Balance	Total expenditure/ approved budget (percentage)	
30	II	**Non-recurrent expenditure**					30
31	8	Furniture and equipment					31
32		Purchase of equipment	**150 000**	**144 429**	**5 571**	96.29	32
33							33
34	III	**Case-related costs**	**2 093 200**	**24 285**		1.16	34
35	9	**Judges**	**1 555 000**	**19 669**	**1 535 331**	1.26	35
36		Special allowances	1 222 600	9 840	1 212 760	0.80	36
37		Compensation to judges ad hoc	72 900	0	72 900	0.00	37
38		Travel to meetings, including judges ad hoc	259 500	9 829	249 671	3.79	38
39	10	**Staff costs**	**538 200**	**4 616**	**533 584**	0.86	39
40		Temporary assistance for meetings	493 200	4 616	488 584	0.94	40
41		Overtime	45 000	0	45 000	0.00	41
42	11	**Miscellaneous**	**0**	**0**	**0**		42
43							43
44	IV	**Working Capital Fund**	**0**	**0**	**0**		44
45							45
46	**IV**	**Total**	**15 506 500**	**13 393 630**	**2 112 870**	**86.37**	46

Appendix III

Performance report for the grant given to the Tribunal by the Korea International Cooperation Agency

(In euros)

KOICA Grant opening balance ($150,000 at €0.804)	120 600.00
Gain on exchange (Deutsche Bank rate of exchange 0.820)	2 431.5[illegible]
Contribution on 28 March 2006 ($100,000 at €0.844)	84 400.00
Loss on exchange (Deutsche Bank rate of exchange 0.824)	(2 027.06)
Total	**205 404.44**
Disbursements	
Internship programme	
Travel of participants	38 354.93
Subsistence allowance of participants	61 010.62
Miscellaneous charges (including travel of J. Park and D.-y. Kim)	7 235.90
Bank charges	949.61
	107 551.06
Workshops, Dakar	
Travel	10 775.22
Accommodation	18 269.26
Temporary assistance	4 352.82
Communication	2 634.10
Subsistence allowance	850.00
	36 881.40
Expenses to be recovered	2 789.54
Income	
Interest income	(729.92)
Bank balance as of 31 December 2006	**58 912.36**
Accounts receivables	2 789.54
Obligations	4 500.00
Available balance	**57 202.08**
Term deposit	0.00
Balance	**57 202.08**

Appendix IV

International Tribunal for the Law of the Sea, Hamburg

Audit procedures and results of additional audit scope for the period from 1 January 2005 to 31 December 2006

According to the assignment, we have audited the following aspects of operating procedures in addition to our audit of the financial statements for the financial period from 1 January 2005 to 31 December 2006:

(a) Whether the expenses incurred are in accordance with the appropriations approved by the Meeting of States Parties;

(b) Whether expenditures incurred have been appropriately authorized by the party designed for that purpose in the Financial Regulations and Rules of the Tribunal;

(c) Whether staff and persons being paid by the Tribunal have been recruited or engaged in the manner provided in the Staff Regulations and Rules of the Tribunal;

(d) Whether goods and services have been procured in accordance with the procedures provided for in the Financial Regulations and Rules of the Tribunal;

(e) Whether goods and services that have been procured are necessary or not excessive, with regard to circumstances and the functions of the Tribunal;

(f) Whether the grant given to the Tribunal by the Korea International Cooperation Agency of the Republic of Korea (KOICA) and maintained in a separate trustee account is administered in accordance with the memorandum of understanding dated 9 March 2004.

As part of our audit of the financial statements, the following additional procedures have been performed by us:

1. Approval of expenses

As instructed, we have audited whether the expenses incurred during the financial period 2005-2006 are in accordance with the appropriations approved by the Meeting of States Parties.

From the approved budget for the financial period 2005-2006 amounting to €15,858,399, a total amount of €13,393,630 was spent against approved budget lines, resulting in savings of €2,112,870. Significant overexpenditures have been noted only in the budget lines "Annual allowances" (€543,273) and "Special allowances" (€56,160). These overexpenditures were due to an increase in the daily subsistence allowance fixed by the United Nations and the application of the floor/ceiling mechanism to the annual allowance and special allowance of the judges of the Tribunal according to the decisions of the fifteenth Meeting of States Parties, as set out in the documents SPLOS/132 and SPLOS/133.

The Tribunal has achieved the approved budgets in all material respects and therefore was authorized to finance the overexpenditures by transfers of savings from other budget lines.

2. Authorization of expenditures

We have audited the procedures for the authorization of expenditures as outlined in the Financial Regulations and Rules of the Tribunal and tested on a sample basis if these procedures have been strictly followed by the Tribunal in all material respects.

As a result of the work done, no significant matter came to our attention. In our opinion, the procedures for the authorization of expenditures were carried out in accordance with the Financial Regulations and Rules of the Tribunal.

3. Procedures for recruiting/engaging staff

We have audited if the procedures for recruiting and engaging staff are in line with the Staff Rules of the Tribunal and selected for testing the recruitment procedures three out of eight employees engaged in the period 2005-2006.

As a result of the work done, no discrepancies came to our attention. The Tribunal has carried out the procedures for recruiting and engaging staff in accordance with the Staff Rules of the Tribunal.

4. Procedures for procurement of goods and services

We have audited if the procedures followed by the Tribunal in the order process were in line with the Financial Regulations and Rules of the Tribunal (i.e. include request of bids or tenders, fair analysis of tenders, written contracts, etc.) and tested on a sample basis that these procedures have been followed in all material respects by the Tribunal.

As a result of the work done, no matters came to our attention. In our opinion, the procedures for procurement of goods and services were carried out in accordance with the Financial Regulations and Rules of the Tribunal.

5. Examination whether goods and services procured are necessary or not excessive, with regard to circumstances and the functions of the Tribunal

We have audited, if (a) the expenditures reported for the fiscal year have been properly included in the statement of income and expenditures and have been charged to the appropriate budget line and (b) the goods and services procured were necessary or not excessive with regard to circumstances and the functions of the Tribunal.

The overexpenditures in the financial period could be reasonably explained and were compensated by savings under other budget lines. The equipment acquired during the financial period 2005-2006 is duly registered in the inventory list and is being used as required by the circumstances and the functions of the Tribunal.

6. Examination regarding the grant given by the Korea International Cooperation Agency

We have audited whether the grant given to the Tribunal by KOICA, maintained in a separate trustee account, was administered in accordance with the memorandum of understanding dated 9 March 2004.

On 28 March 2006, KOICA contributed an additional amount of $100,000 to the fund.

With a letter dated 7 April 2006, KOICA agreed to the request of the Tribunal to use the funds up to an amount of €45,000.00 to finance a series of workshops in Dakar in the field of the law of the sea in different regions and subregions in the developing world in cooperation with the International Foundation for the Law of the Sea.

As a result of the work done, no significant matter came to our attention. In our opinion, the administration of the grant given by KOICA is in accordance with the memorandum of understanding dated 9 March 2004.

Appendix V

Status of 1996-2006 contributions to the International Tribunal for the Law of the Sea[a]

(In euros)

31 December 2006

States Parties	2006 scale of assessments (percentage)	Contributions assessed				Collections	Contributions outstanding			
		Previous years (1996-2004)	Last year 2005	Current year 2006	Total		Previous years (1996-2004)	Last year (2005)	Current year[b] (2006)	Total outstanding
Albania	0.0100	860	689	797	2 346	0	860	689	797	2 346
Algeria	0.1070	55 300	7 466	8 485	71 251	78 211	0	0	-6 960	-6 960
Angola	0.0100	5 263	689	792	6 744	7 506	0	0	-762	-762
Antigua and Barbuda	0.0100	3 607	689	792	5 088	0	3 607	689	792	5 088
Argentina	1.3458	568 999	91 964	106 341	767 304	472 103	96 896	91 964	106 341	295 201
Armenia	0.0100	1 120	689	792	2 601	2 617	0	0	-16	-16
Australia	2.2411	902 503	154 725	177 517	1 234 745	1 418 822	0	0	-184 077	-184 077
Austria	1.2092	548 982	82 747	95 681	727 410	732 744	0	0	-5 334	-5 334
Bahamas	0.0183	8 560	1 278	1 452	11 290	8 574	479	785	1 452	2 716
Bahrain	0.0422	10 504	3 053	3 364	16 921	16 922	0	0	-1	-1
Bangladesh	0.0141	2 568	975	1 116	4 659	4 659	0	0	-0	-0
Barbados	0.0141	5 065	985	1 117	7 167	6 023	0	27	1 117	1 144
Belarus	0.0253	0	0	995	995	0	0	0	995	995
Belgium	1.5049	514 895	103 503	119 145	737 543	743 973	0	0	-6 430	-6 430
Belize	0.0100	3 472	689	792	4 953	4 953	0	0	0	0
Benin	0.0100	2 964	689	792	4 445	3 139	0	514	792	1 306
Bolivia	0.0127	4 613	888	1 005	6 506	1 879	2 734	888	1 005	4 627
Bosnia and Herzegovina	0.0100	4 083	689	792	5 564	5 564	0	0	0	0
Botswana	0.0169	5 876	1 191	1 342	8 409	5 906	584	577	1 342	2 503
Brazil	2.1440	1 045 350	140 863	169 045	1 355 258	474 004	571 346	140 863	169 045	881 254
Brunei Darussalam	0.0479	14 346	3 325	3 794	21 465	25 406	0	0	-3 941	-3 941

States Parties	2006 scale of assessments (percentage)	Contributions assessed: Previous years (1996-2004)	Last year 2005	Current year 2006	Total	Collections	Contributions outstanding: Previous years (1996-2004)	Last year (2005)	Current year[b] (2006)	Total outstanding
Bulgaria	0.0239	15 020	1 700	1 902	18 622	16 991	0	0	1 631	1 631
Burkina Faso	0.0100	0	768	803	1 571	0	0	768	803	1 571
Cameroon	0.0113	8 605	769	891	8 265	7 341	0	33	891	924
Canada	3.9599	255 585	276 792	317 046	849 423	842 704	0	0	6 719	6 719
Cape Verde	0.0100	3 541	689	792	5 022	2 565	976	689	792	2 457
Chile	0.3139	83 271	21 995	24 929	130 195	95 182	0	10 084	24 929	35 013
China	2.8900	674 690	205 604	229 767	1 110 061	1 110 118	0	0	-57	-57
Comoros	0.0100	3 472	689	792	4 953	0	3 472	689	792	4 953
Congo	0.0100	4 431	689	792	5 912	0	4 431	689	792	5 912
Cook Islands[c]	0.0100	3 472	689	792	4 953	3 467	5	689	792	1 486
Costa Rica	0.0422	9 860	3 031	3 361	16 252	13 425	0	0	2 827	2 827
Côte d'Ivoire	0.0141	5 552	985	1 117	7 654	0	5 552	985	1 117	7 654
Croatia	0.0521	26 280	3 585	4 124	33 989	38 262	0	0	-4 273	-4 273
Cuba	0.0605	18 557	4 330	4 816	27 703	29 178	0	0	-1 475	-1 475
Cyprus	0.0549	20 532	3 812	4 352	28 696	20 543	0	3 801	4 352	8 153
Czech Republic	0.2576	96 686	17 799	20 430	134 915	156 073	0	0	-21 158	-21 158
Denmark	1.0107	15 233	77 661	81 159	174 053	175 749	0	0	-1 696	-1 696
Djibouti	0.0100	3 472	689	792	4 953	4 183	0	0	770	770
Dominica	0.0100	3 472	689	792	4 953	2 095	1 377	689	792	2 858
Egypt	0.1689	42 791	12 113	13 444	68 348	6 956	35 835	12 113	13 444	61 392
Equatorial Guinea	0.0100	2 942	689	792	4 423	0	2 942	689	792	4 423
Estonia	0.0169	0	649	1 342	1 991	3 433	0	0	-1 442	-1 442
European Community[d]	n.a.	346 960	67 240	77 344	491 544	491 544	0	0	0	0
Fiji	0.0100	3 880	689	792	5 361	3 880	0	689	792	1 481
Finland	0.7503	320 235	52 047	59 467	431 749	436 159	0	0	-4 410	-4 410
France	8.4886	3 819 084	582 801	671 926	5 073 811	5 769 782	0	0	-695 971	-695 971
Gabon	0.0127	7 655	824	997	9 476	1 785	5 870	824	997	7 691

States Parties	2006 scale of assessments (percentage)	Contributions assessed: Previous years (1996-2004)	Last year 2005	Current year 2006	Total	Collections	Contributions outstanding: Previous years (1996-2004)	Last year (2005)	Current year[b] (2006)	Total outstanding
Gambia	0.0100	3 472	689	792	4 953	364	3 108	689	792	4 589
Georgia	0.0100	16 375	689	792	17 856	17 618	0	0	238	238
Germany	12.1937	5 699 263	832 021	964 492	7 495 776	7 548 038	0	0	-52 262	-52 262
Ghana	0.0100	4 367	689	792	5 848	5 830	0	0	18	18
Greece	0.7461	250 588	51 540	59 102	361 230	362 430	0	0	-1 200	-1 200
Grenada	0.0100	3 472	689	792	4 953	4 922	0	0	31	31
Guatemala	0.0422	12 194	2 956	3 351	18 501	18 388	0	0	113	113
Guinea	0.0100	3 745	689	792	5 226	0	3 745	689	792	5 226
Guinea-Bissau	0.0100	3 472	689	792	4 953	0	3 472	689	792	4 953
Guyana	0.0100	3 472	689	792	4 953	5 414	0	0	-461	-461
Haiti	0.0100	3 607	689	792	5 088	3 981	0	316	791	1 107
Honduras	0.0100	3 812	689	792	5 293	8 201	0	0	-2 908	-2 908
Hungary	0.1774	26 084	12 340	14 063	52 487	52 912	0	0	-425	-425
Iceland	0.0479	18 858	3 325	3 794	25 977	29 918	0	0	-3 941	-3 941
India	0.5927	186 249	41 873	47 077	275 199	198 551	0	29 571	47 077	76 647
Indonesia	0.1999	108 211	13 215	15 753	137 179	85 881	35 545	0	15 753	51 298
Iraq	0.0225	51 017	469	1 657	53 143	0	51 017	469	1 657	53 143
Ireland	0.4927	145 902	34 696	39 121	219 719	260 474	0	0	-40 755	-40 755
Italy	6.8767	3 098 500	473 999	544 598	4 117 097	4 152 042	0	0	-34 945	-34 945
Jamaica	0.0113	4 154	787	893	5 834	5 733	0	0	101	101
Japan	22.0000	10 178 256	1 496 672	1 739 424	13 414 352	13 414 352	0	0	-0	-0
Jordan	0.0155	4 467	1 104	1 231	6 802	6 858	0	0	-56	-56
Kenya	0.0127	4 546	888	1 005	6 439	2 355	2 191	888	1 005	4 084
Kiribati	0.0100	1 120	689	792	2 601	1 055	65	689	792	1 546
Kuwait	0.2281	86 274	15 945	18 092	120 311	140 956	0	0	-20 645	-20 645
Lao People's Democratic Republic	0.0100	2 700	689	792	4 181	4 177	0	1	3	4
Latvia	0.0211	0	1 622	1 695	3 317	3 318	0	0	-1	-1

States Parties	2006 scale of assessments (percentage)	Contributions assessed				Collections	Contributions outstanding			
		Previous years (1996-2004)	Last year 2005	Current year 2006	Total		Previous years (1996-2004)	Last year (2005)	Current year[b] (2006)	Total outstanding
Lebanon	0.0338	8 062	2 468	2 695	13 225	8 169	0	2 361	2 695	5 056
Lithuania	0.0338	1 696	2 414	2 707	6 817	6 852	0	0	-35	-35
Luxembourg	0.1084	23 766	7 473	8 585	39 824	7 799	15 967	7 473	8 585	32 025
Madagascar	0.0100	1 813	689	792	3 294	5 116	0	0	-1 822	-1 822
Malaysia	0.2858	113 004	19 433	22 594	155 031	156 457	0	0	-1 426	-1 426
Maldives	0.0100	2 170	689	792	3 651	1 712	458	689	792	1 939
Mali	0.0100	3 671	689	792	5 152	5 156	0	0	-4	-4
Malta	0.0197	8 134	1 354	1 560	11 048	11 464	0	0	-416	-416
Marshall Islands	0.0100	3 472	689	792	4 953	4 184	0	0	770	770
Mauritania	0.0100	3 472	689	792	4 953	4 713	0	0	240	240
Mauritius	0.0155	5 787	1 072	1 227	8 086	9 360	0	0	-1 274	-1 274
Mexico	2.6507	584 816	192 008	211 219	988 043	983 281	0	0	4 762	4 762
Micronesia (Federated States of)	0.0100	3 472	689	792	4 953	4 304	0	0	649	649
Monaco	0.0100	3 814	689	792	5 295	5 295	0	0	0	0
Mongolia	0.0100	3 607	689	792	5 088	5 088	0	0	0	0
Montenegro	0.0100	0	0	196	196	0	0	0	196	196
Mozambique	0.0100	3 274	689	792	4 755	4 724	0	0	31	31
Myanmar	0.0141	5 346	975	1 116	7 437	4 859	487	975	1 116	2 578
Namibia	0.0100	4 367	689	792	5 848	5 848	0	0	0	0
Nauru	0.0100	3 472	689	792	4 953	385	3 087	689	792	4 568
Nepal	0.0100	2 921	689	792	4 402	4 402	0	0	0	0
Netherlands	2.3790	978 754	164 138	188 429	1 331 321	1 334 373	0	0	-3 052	-3 052
New Zealand	0.3111	135 766	21 316	24 620	181 702	207 194	0	0	-25 492	-25 492
Nicaragua	0.0100	2 440	689	792	3 921	3 953	0	0	-32	-32
Nigeria	0.0591	34 461	3 884	4 664	43 009	5 277	29 184	3 884	4 664	37 732
Niue[c]	0.0100	0	0	196	196	0	0	0	196	196
Norway	0.9558	362 584	66 501	75 783	504 868	510 996	0	0	-6 128	-6 128

States Parties	2006 scale of assessments (percentage)	Contributions assessed: Previous years (1996-2004)	Last year 2005	Current year 2006	Total	Collections	Contributions outstanding: Previous years (1996-2004)	Last year (2005)	Current year[b] (2006)	Total outstanding
Oman	0.0985	31 341	6 913	7 820	46 074	46 200	0	0	-126	-126
Pakistan	0.0774	33 462	5 297	6 126	44 885	38 759	0	0	6 126	6 126
Palau	0.0100	3 365	689	792	4 846	3 320	45	689	792	1 526
Panama	0.0267	8 687	1 863	2 121	12 662	13 183	0	0	-521	-521
Papua New Guinea	0.0100	4 094	689	792	5 575	2 086	2 008	689	792	3 489
Paraguay	0.0169	8 350	1 127	1 333	10 810	1 703	6 647	1 127	1 333	9 107
Philippines	0.1337	49 883	9 201	10 588	69 672	66 176	0	0	3 496	3 496
Poland	0.6490	125 439	46 157	51 636	223 232	221 689	0	1 543	-0	1 543
Portugal	0.6616	225 577	45 874	52 435	323 886	323 897	0	0	-11	-11
Qatar	0.0901	5 275	6 559	7 184	19 018	19 021	0	0	-3	-3
Republic of Korea	2.5283	748 675	174 384	200 240	1 123 299	1 123 346	0	0	-47	-47
Romania	0.0845	40 340	5 864	6 694	52 898	59 849	0	0	-6 951	-6 951
Russian Federation	1.5485	935 684	106 148	122 557	1 164 389	1 223 614	0	0	-59 225	-59 225
Saint Kitts and Nevis	0.0100	3 472	689	792	4 953	3 772	389	0	792	1 181
Saint Lucia	0.0100	3 472	689	792	4 953	5 753	0	0	-800	-800
Saint Vincent and the Grenadines	0.0100	3 472	689	792	4 953	3 254	218	689	792	1 699
Samoa	0.0100	3 472	689	792	4 953	5 772	0	0	-819	-819
Sao Tome and Principe	0.0100	3 472	689	792	4 953	0	3 472	689	792	4 953
Saudi Arabia	1.0037	342 995	71 168	79 764	493 927	493 946	0	0	-19	-19
Senegal	0.0100	4 154	689	792	5 635	4 600	0	243	792	1 035
Serbia	0.0267	22 463	1 841	2 118	26 422	0	22 463	1 841	2 118	26 422
Seychelles	0.0100	3 607	689	792	5 088	0	3 607	689	792	5 088
Sierra Leone	0.0100	3 472	689	792	4 953	454	3 018	689	792	4 499
Singapore	0.5462	147 775	37 748	43 270	228 793	273 678	0	0	-44 885	-44 885

States Parties	2006 scale of assessments (percentage)	Contributions assessed: Previous years (1996-2004)	Contributions assessed: Last year 2005	Contributions assessed: Current year 2006	Contributions assessed: Total	Collections	Contributions outstanding: Previous years (1996-2004)	Contributions outstanding: Last year (2005)	Contributions outstanding: Current year[b] (2006)	Contributions outstanding: Total outstanding
Slovakia	0.0718	27 253	5 056	5 701	38 010	44 540	0	0	-6 530	-6 530
Slovenia	0.1154	40 767	8 003	9 149	57 919	58 189	0	0	-270	-270
Solomon Islands	0.0100	3 077	689	792	4 558	0	3 077	689	792	4 558
Somalia	0.0100	3 472	689	792	4 953	0	3 472	689	792	4 953
South Africa	0.4111	200 298	27 204	32 396	259 898	241 168	0	0	18 730	18 730
Spain	3.5475	1 426 188	245 524	281 079	1 952 791	1 970 439	0	0	-17 648	-17 648
Sri Lanka	0.0239	7 822	1 668	1 898	11 388	11 341	0	0	47	47
Sudan	0.0113	4 503	787	894	6 184	962	3 541	787	894	5 222
Suriname	0.0100	2 999	689	792	4 480	4 480	0	0	0	0
Sweden	1.4049	636 478	96 921	111 272	844 671	848 495	0	0	-3 824	-3 824
The former Yugoslav Republic of Macedonia	0.0100	3 946	689	792	5 427	3 945	1	689	792	1 482
Togo	0.0100	3 539	689	792	5 020	0	3 539	689	792	5 020
Tonga	0.0100	3 472	689	792	4 953	3 566	0	595	792	1 387
Trinidad and Tobago	0.0310	10 730	2 209	2 463	15 402	14 319	0	0	1 083	1 083
Tunisia	0.0450	17 169	3 135	3 571	23 875	16 709	460	3 135	3 571	7 166
Tuvalu	0.0100	1 120	689	792	2 601	1 186	0	623	792	1 415
Uganda	0.0100	3 880	689	792	5 361	0	3 880	689	792	5 361
Ukraine	0.0549	52 216	3 652	4 330	60 198	60 196	0	0	2	2
United Kingdom	8.6251	2 826 759	603 277	684 283	4 114 319	4 089 963	0	0	24 356	24 356
United Republic of Tanzania	0.0100	3 812	689	792	5 293	6 104	0	0	-811	-811
Uruguay	0.0676	34 327	4 331	5 305	43 963	4 796	29 531	4 331	5 305	39 167
Vanuatu	0.0100	2 613	689	792	4 094	589	2 024	689	792	3 505
Viet Nam	0.0296	6 194	2 117	2 354	10 665	13 123	0	0	-2 458	-2 458
Yemen	0.0100	5 264	689	792	6 745	6 003	0	0	742	742

States Parties	2006 scale of assessments (percentage)	Contributions assessed: Previous years (1996-2004)	Contributions assessed: Last year 2005	Contributions assessed: Current year 2006	Contributions assessed: Total	Collections	Contributions outstanding: Previous years (1996-2004)	Contributions outstanding: Last year (2005)	Contributions outstanding: Current year[b] (2006)	Contributions outstanding: Total outstanding
Zambia	0.0100	3 671	689	792	5 152	0	3 671	689	792	5 152
Zimbabwe	0.0100	5 139	682	791	6 612	2 532	2 607	682	791	4 080
Total	**100.00**	**39 829 223**	**6 960 695**	**7 998 252**	54 788 170	**54 215 869**	**982 963**	**344 362**	**525 207**	**1 852 532**

[a] Total subject to rounding differences.
[b] Negative figures indicate credits being carried forward towards 2007 (€1,280,226).
[c] Not a member of the United Nations, assessed with the floor rate.
[d] Agreed contributions in accordance with the Financial Regulations of the Tribunal. For period 2005 to 2006, see SPLOS/117.

Appendix VI[a]

General engagement terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms] as of 1 January 2002

1. Scope

1. These engagement terms are applicable to contracts between Wirtschaftsprüfer [German Public Auditors] or Wirtschaftsprüfungsgesellschaften [German Public Audit Firms] (hereinafter collectively referred to as the "Wirtschaftsprüfer") and their clients for audits, consulting and other engagements to the extent that something else has not been expressly agreed to in writing or is not compulsory due to legal requirements.

2. If, in an individual case, as an exception contractual relations have also been established between the Wirtschaftsprüfer and persons other than the client, the provisions of No. 9 below also apply to such third parties.

2. Scope and performance of the engagement

1. Subject of the Wirtschaftsprüfer's engagement is the performance of agreed services — not a particular economic result. The engagement is performed in accordance with the Grundsätze ordnungsmäBlger Berufsausübung [Standards of Proper Professional Conduct]. The Wirtschaftsprüfer is entitled to use qualified persons to conduct the engagement.

2. The application of foreign law requires — except for financial attestation engagements — an express written agreement.

3. The engagement does not extend — to the extent it is not directed thereto — to an examination of the issue of whether the requirements of tax law or special regulations, such as, for example, laws on price controls, laws limiting competition and Bewirtschaftungsrecht [laws controlling certain aspects of specific business operations] were observed; the same applies to the determinations as to whether subsidies, allowances or other benefits may be claimed. The performance of an engagement encompasses auditing procedures aimed at the detection of the defalcation of books and records and other irregularities only if during the conduct of audits grounds therefor arise or if this has been expressly agreed to in writing.

4. If the legal position changes subsequent to the issuance of the final professional statement, the Wirtschaftsprüfer is not obliged to inform the client of changes or any consequences resulting therefrom.

3. The client's duty to inform

1. The client must ensure that the Wirtschaftsprüfer — even without his special request — is provided, on a timely basis, with all supporting documents and records required for and is informed of all events and circumstances which may be

[a] This is an English translation of the German text, which is the sole authoritative version. Translators notes are in square brackets.

significant to the performance of the engagement. This also applies to those supporting documents and records, events and circumstances which first become known during the Wirtschaftsprüfer's work.

2. Upon the Wirtschaftsprüfer's request, the client must confirm in a written statement drafted by the Wirtschaftsprüfer that the supporting documents and records and the information and explanations provided are complete.

4. Ensuring independence

The client guarantees to refrain from everything which may endanger the independence of the Wirtschaftsprüfer's staff. This particularly applies to offers of employment and offers to undertake engagements on one's own account.

5. Reporting and verbal information

If the Wirtschaftsprüfer is required to present the results of his work in writing, only that written presentation is authoritative. For audit engagements the long-form report should be submitted in writing to the extent that nothing else has been agreed to. Verbal statements and information provided by the Wirtschaftsprüfer's staff beyond the engagement agreed to are never binding.

6. Protection of the Wirtschaftsprüfer's intellectual property

The client guarantees that expert opinions, organizational charts, drafts, sketches, schedules and calculations — especially quantity and cost computations — prepared by the Wirtschaftsprüfer within the scope of the engagement will be used only for his own purposes.

7. Transmission of the Wirtschaftsprüfer's professional statement

1. The transmission of a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) to a third party requires the Wirtschaftsprüfer's written consent to the extent that the permission to transmit to a certain third party does not result from the engagement terms.

The Wirtschaftsprüfer is liable (within the limits of No. 9) towards third parties only if the prerequisites of the first sentence are given.

2. The use of the Wirtschaftsprüfer's professional statements for promotional purposes is not permitted; an infringement entitles the Wirtschaftsprüfer to immediately cancel all engagements not yet conducted for the client.

8. Correction of deficiencies

1. Where there are deficiencies, the client is entitled to subsequent fulfilment [of the contract]. The client may demand a reduction in fees or the cancellation of the contract only for the failure to subsequently fulfil [the contract]; if the engagement was awarded by a person carrying on a commercial business as part of that commercial business, a government-owned fund under public law or a special government-owned legal person under public law, the client may demand the cancellation of the contract only if the services rendered are of no interest to him due to the failure to subsequently fulfil [the contract]. No. 9 applies to the extent that claims for damages exist beyond this.

2. The client must assert his claim for the correction of deficiencies in writing without delay. Claims pursuant to the first paragraph not arising from an intentional tort cease to be enforceable one year after the commencement of the statutory time limit for enforcement.

3. Obvious deficiencies, such as typing and arithmetical errors and formelle Mängel [deficiencies associated with technicalities] contained in a Wirtschaftsprüfer's professional statements (long-form reports, expert opinions and the like) may be corrected — and also be applicable versus third parties — by the Wirtschaftsprüfer at any time. Errors which may call into question the conclusions contained in the Wirtschaftsprüfer's professional statements entitle the Wirtschaftsprüfer to withdraw — also versus third parties — such statements. In the cases noted the Wirtschaftsprüfer should first hear the client, if possible.

9. Liability

1. *The liability limitation of § ["Article"] 323 (2)["paragraph 2"] HGB ["Handelsgesetzbuch": German Commercial Code] applies to statutory audits required by law.*

2. *Liability for negligence; An individual case of damages*

If neither No. 1 is applicable nor a regulation exists in an individual case, pursuant to § 54a (1) No. 2 WPO ["Wirtschaftsprüferordnung": Law regulating the Profession of Wirtschaftsprüfer] the liability of the Wirtschaftsprüfer for claims of compensatory damages of *any* kind — except for damages resulting from injury to life, body or health — for an individual case of damages resulting from negligence is limited to €4 million; this also applies if liability to a person other than the client should be established. An individual case of damages also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty without taking into account whether the damages occurred in one year or in a number of successive years. In this case multiple acts or omissions of acts based on a similar source of error or on a source of error of an equivalent nature are deemed to be a uniform breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the Wirtschaftsprüfer is limited to €5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

3. *Preclusive deadlines*

A compensatory damages claim may only be lodged within a preclusive deadline of one year of the rightful claimant having become aware of the damage and of the event giving rise to the claim — at the very latest, however, within five years subsequent to the event giving rise to the claim. The claim expires if legal action is not taken within a six-month deadline subsequent to the written refusal of acceptance of the indemnity and the client was informed of this consequence.

The right to assert the bar of the preclusive deadline remains unaffected. Sentences 1 to 3 also apply to legally required audits with statutory liability limits.

10. Supplementary provisions for audit engagements

1. A subsequent amendment or abridgement of the financial statements or management report audited by a Wirtschaftsprüfer and accompanied by an auditor's report requires the written consent of the Wirtschaftsprüfer even if these documents are not published. If the Wirtschaftsprüfer has not issued an auditor's report, a reference to the audit conducted by the Wirtschaftsprüfer in the management report or elsewhere specified for the general public is permitted only with the Wirtschaftsprüfer's written consent and using the wording authorized by him.

2. If the Wirtschaftsprüfer revokes the auditor's report, it may no longer be used. If the client has already made use of the auditor's report, he must announce its revocation upon the Wirtschaftsprüfer's request.

3. The client has a right to 5 copies of long-form report. Additional copies will be charged for separately.

11. Supplementary provisions for assistance with tax matters

1. When advising on an individual tax issue as well as when furnishing continuous tax advice, the Wirtschaftsprüfer is entitled to assume that the facts provided by the client — especially numerical disclosures — are correct and complete; this also applies to bookkeeping engagements. Nevertheless, he is obliged to inform the client of any errors he has discovered.

2. The tax consulting engagement does not encompass procedures required to meet deadlines, unless the Wirtschaftsprüfer has explicitly accepted the engagement for this. In this event the client must provide the Wirtschaftsprüfer on a timely basis, all supporting documents and records — especially tax assessments — material to meeting the deadlines, so that the Wirtschaftsprüfer has an appropriate time period available to work therewith.

3. In the absence of other written agreements, continuous tax advice encompasses the following work during the contract period:

(a) preparation of annual tax returns for income tax, corporation tax and business tax, as well as net worth tax returns on the basis of the annual financial statements and other schedules and evidence required for tax purposes to be submitted by the client

(b) examination of tax assessments in relation to the taxes mentioned in (a)

(c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

(d) participation in tax audits and evaluation of the results of tax audits with respect to the taxes mentioned in (a)

(e) participation in einspruchs- und Beschwerdeverfahren [appeals and complaint procedures] with respect to the taxes mentioned in (a).

In the aforementioned work the Wirtschaftsprüfer takes material published legal decisions and administrative interpretations into account.

4. If the Wirtschaftsprüfer receives a fixed fee for continuous tax advice, in the absence of other written agreements, the work mentioned under paragraph 3 (d) and (e) will be charged separately.

5. Services with respect to special individual issues for income tax, corporate tax, business tax, valuation procedures for property and net worth taxation, and net worth tax as well as all issues in relation to sales tax, wages tax, other taxes and dues require a special engagement. This also applies to:

(a) the treatment of non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, real estate acquisition tax

(b) participation and representation in proceedings before tax and administrative courts and in criminal proceedings with respect to taxes, and

(c) the granting of advice and work with respect to expert opinions in connection with conversions of legal form, mergers, capital increases and reductions, financial reorganizations, admission and retirement of partners or shareholders, sale of a business, liquidations and the like.

6. To the extent that the annual sales tax return is accepted as additional work, this does not include the review of any special accounting prerequisites nor of the issue as to whether all potential legal sales tax reductions have been claimed. No guarantee is assumed for the completeness of the supporting documents and records to validate the deduction of the input tax credit.

12. Confidentiality towards third parties and data security

1. Pursuant to the law the Wirtschaftsprüfer is obliged to treat all facts that he comes to know in connection with his work as confidential, irrespective of whether these concern the client himself or his business associations, unless the client releases him from this obligation.

2. The Wirtschaftsprüfer may only release long-form reports, expert opinions and other written statements on the results of his work to third parties with the consent of his client.

3. The Wirtschaftsprüfer is entitled — within the purposes stipulated by the client — to process personal data entrusted to him or allow them to be processed by third parties.

13. Default of acceptance and lack of cooperation on the part of the client

If the client defaults in accepting the services offered by the Wirtschaftsprüfer or if the client does not provide the assistance incumbent on him pursuant to No. 3 or otherwise, the Wirtschaftsprüfer is entitled to cancel the contract immediately. The Wirtschaftsprüfer's right to compensation for additional expenses as well as for damages caused by the default or the lack of assistance is not affected, even if the Wirtschaftsprüfer does not exercise his right to cancel.

14. Remuneration

1. In addition to his claims for fees or remuneration, the Wirtschaftsprüfer is entitled to reimbursement of his outlays: sales tax will be billed separately. He may claim appropriate advances for remuneration and reimbursement of outlays and make the rendering of his services dependent upon the complete satisfaction of his claims. Multiple clients awarding engagements are jointly and severally liable.

2. Any set off against the Wirtschaftsprüfer's claims for remuneration and reimbursement of outlays is permitted only for undisputed claims or claims determined to be legally valid.

15. Retention and return of supporting documentation and records

1. The Wirtschaftsprüfer retains, for seven years, the supporting documents and records in connection with the completion of the engagement — that had been provided to him and that he has prepared himself — as well as the correspondence with respect to the engagement.

2. After the settlement of his claims arising from the engagement, the Wirtschaftsprüfer, upon the request of the client, must return all supporting documents and records obtained from him or for him by reason of his work on the engagement. This does not, however, apply to correspondence exchanged between the Wirtschaftsprüfer and his client and to any documents of which the client already has the original or a copy. The Wirtschaftsprüfer may prepare and retain copies or photocopies of supporting documents and records which he returns to the client.

16. Applicable law

Only German law applies to the engagement, its conduct and any claims arising therefrom.

Special conditions for the increase of the liability under the general engagement terms as of 1 January 2002

The amounts of €4 million and €5 million, respectively, as provided for in No. 9, paragraph 2 of the General Engagement Terms are uniformly substituted by the amount of €5 million.

If, in the client's opinion, the foreseeable contractual risk will be considerably higher than €5 million, BDO Deutsche Warentreuhand Aktiengesellschaft will agree, at the client's request, to offer to the client an increased liability limit if and to the extent the liability insurance for the increased amount can be obtained from a German professional liability insurer. Upon the agreement of an increased liability limit, BDO Deutsche Warentreuhand Aktiengesellschaft is entitled to allow for the premium expense when determining the amount of its fees.

The above-mentioned provisions are not applicable when a greater or lesser liability limit has been provided by law for the respective professional service, particularly in connection with a statutory audit. In such a case the statutory liability regulations continue to be applicable.

If various causes of damage occur, BDO Deutsche Warentreuhand Aktiengesellschaft is liable within the scope of the increased liability limit only to the extent that causation can be attributed to BDO Deutsche Warentreuhand Aktiengesellschaft or its employees in relation to other causes relevant to the damage. This applies in particular in the case of a joint assignment with other auditors. If, as agreed by the client, a third party is engaged for the execution of an assignment BDO Deutsche Warentreuhand Aktiengesellschaft will only be liable for negligence in connection with the selection of that third party.

BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

United Nations Convention on the Law of the Sea SPLOS/154

Meeting of States Parties

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Seventeenth Meeting
New York, 14 and 18-22 June 2007

Report on budgetary matters for the financial period 2005-2006

Presented by the Registrar

I. Performance report for 2005-2006

1. In June 2004, the fourteenth Meeting of States Parties approved a budgetary amount of €15,506,500 for the financial period 2005-2006 (SPLOS/117, para. 1). In addition to those appropriations, in June 2005, the fifteenth Meeting of States Parties authorized the Tribunal to finance overexpenditures due to (a) the adjustment of remuneration of judges (effective 1 January 2005); (b) the increase in the daily subsistence allowance applicable to Hamburg; and (c) the application of the floor/ceiling mechanism to the annual and special allowances of judges (effective 1 July 2005), by using savings of 500,000 United States dollars from the financial period 2002, up to an amount of €378,500, and savings from the financial period 2004, up to an amount of €150,000. In addition, the fifteenth Meeting approved a supplementary budget of €351,899 for the financial period 2005-2006 (see SPLOS/132, paras. 1-3 and SPLOS/133, para. 2).

2. As a result, the additional appropriations, totalling up to €880,399, were approved for the financial period 2005-2006. From the additional appropriations, an amount of €312,684 was allotted for 2005.

3. Following consideration of the provisional performance report for 2005, in June 2006, the sixteenth Meeting of States Parties decided that an amount of €312,684 from the 2002 savings corresponding to the additional appropriations for 2005 would be surrendered and deducted from the assessed contributions of States parties in accordance with regulation 4.5 of the Financial Regulations of the Tribunal (SPLOS/146). Pursuant to that decision, the amount of €312,684 was deducted from the assessed contributions of States parties for the year 2007. As a result, a balance of €65,816 was left from the 2002 savings and was included in the additional appropriations allotted for 2006.

4. The performance report for the financial period 2005-2006 is attached as an annex to the present report. As shown in the performance report, the total

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expenditure for that period amounts to €13,393,630, or 86.37 per cent of the amount of appropriations approved for 2005-2006 (€15,506,500). The performance can be explained by the fact that no new cases were submitted during 2005-2006, and therefore substantial savings, amounting to €2,068,915, were achieved under "Case-related costs". In addition, there were savings with respect to staff costs amounting to €288,300. owing to vacant positions in the Registry during the period in question. It may be noted that, if the case-related costs (€2,093,200) were excluded, the performance rate for other costs would amount to 99.67 per cent.

II. Report on action taken pursuant to the decisions on budgetary matters for 2005-2006 taken by the fifteenth and sixteenth Meetings of States Parties

A. Introduction

5. The fifteenth Meeting of States Parties decided on 21 June 2005 (SPLOS/132):

(a) As an interim measure, and pending a decision by States parties based on a report by the Registrar, taking into account the report requested in paragraph 8 of part III of General Assembly resolution 59/282, to approve an adjustment of the maximum annual remuneration of the members of the Tribunal to the level of the emoluments of the members of the International Court of Justice established in resolution 59/282, that is, 170,080 United States dollars, effective 1 January 2005, as well as an adjustment of pensions in payment in accordance with article 7, paragraph 2, of the pension regulations for members of the International Tribunal for the Law of the Sea, effective 1 January 2005;

(b) In the event that the Tribunal was unable to meet expenditures for 2005-2006 from approved appropriations made in the budget line "Special allowances of judges" under part I, to authorize the Registrar to incur expenditures to the extent that the shortfall in appropriation resulted from an increase in daily subsistence allowance as fixed by the United Nations;

(c) To authorize the Tribunal to finance overexpenditures referred to in paragraphs 5 (a) and (b) above by transfers between appropriation sections as far as possible and by using part of the savings of 500,000 United States dollars from the financial period 2002, up to an amount of €115,500;

(d) That the Registrar should report to the Meeting of States Parties on all relevant implications concerning any action taken pursuant to the decision contained in document SPLOS/132.

6. The fifteenth Meeting of States Parties also decided on 21 June 2005 (SPLOS/133):

(a) To apply to the annual allowance and the special allowance of the members of the Tribunal, effective 1 July 2005, the same floor/ceiling mechanism as is applicable to the emoluments of the members of the International Court of Justice on the understanding that any adjustment made to the mechanism in respect of the Court would equally apply to the mechanism in respect of the Tribunal;

(b) To authorize the Tribunal to finance overexpenditures due to the application of the floor/ceiling mechanism by using part of the savings from the financial period 2002 up to an amount of €263,000 and those from the financial period 2004 up to an amount of €150,000;

(c) To approve a supplementary budget of €351,899 for the financial period 2005-2006;

(d) That the Registrar should report to the sixteenth Meeting of States Parties on any action taken pursuant to the decision.

7. The sixteenth Meeting of States Parties decided on 23 June 2006 that an amount of €312,684 from the 2002 savings corresponding to the additional appropriations for 2005 would be surrendered and deducted from the assessed contributions of the States parties in accordance with regulation 4.5 of the Financial Regulations of the Tribunal (SPLOS/146).

B. Overexpenditures in 2005-2006

8. On the basis of the approved budget for the financial period 2005-2006, the following budget lines under section 1, "Remuneration of judges", in part I, "Recurrent expenditure", were overrun in 2005-2006:

(a) *Annual allowances*. There was an overrun of €543,273 resulting from the adjustment of remuneration of judges and the application of the floor/ceiling mechanism to the annual allowance of judges;

(b) *Special allowances*. There was an overrun of €56,160 resulting from the application of the floor/ceiling mechanism to the special allowance of judges and an increase in the daily subsistence allowance applicable to Hamburg.

9. The overexpenditures in these two budget lines thus totalled €599,433.

10. Notwithstanding the increases due to the adjustment of the remuneration of judges and the application of the floor/ceiling mechanism, there was no overexpenditure in budget lines relating to the judges' pension scheme under part I, "Recurrent expenditure", and special allowances of judges and compensation to judges ad hoc under part III, "Case-related costs". This may be explained by the fact that (a) two judges were re-elected in June 2005 while provisions were made in the budget approved in 2004 for additional pension payments with respect to the seven judges whose terms of office came to an end on 30 September 2005; and (b) no new cases were submitted to the Tribunal in 2005-2006.

C. Action taken by the Tribunal

11. The overexpenditures in the two budget lines under the "Judges" section were first financed by the savings in other budget lines under the same section, which amounted to €160,939. As a result, the overall net overexpenditure in the "Judges" section amounted to €438,494. In accordance with the decision of the fifteenth Meeting of States Parties, the Tribunal financed the overexpenditure of €438,494 in the "Judges" budget section by transfer between appropriation sections as follows (in euros):

Section	*Appropriation item*	*Appropriation amount*	*Expenditure*	*Difference before transfer*	*Transfer amount*	*Difference after transfer*
1	Judges (part I: recurrent expenditures)	3 462 300	3 900 794	-438 494	438 494	0
9	Judges (part III: case-related costs)	1 555 000	19 669	1 535 331	-438 494	1 096 837
Total		**5 017 300**	**3 920 463**	**1 096 837**	**0**	**1 096 837**

12. In accordance with financial regulation 4.5, the balance remaining from the surplus of income over expenditure from the financial period 2002 (see para. 3 above), amounting to €65,816, and the total balance from the financial period 2004, amounting to €208,670, will be surrendered and deducted from the assessed contributions of the States parties for the year 2008.

13. The supplementary budget amounting to €351,899 as approved by the Meeting of States Parties for the financial period 2005-2006 is included in the amount of savings shown in the financial statements as at 31 December 2006. In accordance with financial regulation 4.5, this amount will be surrendered to States parties in 2008 and deducted from the assessed contributions for 2009.

III. Report on action taken pursuant to the Financial Regulations of the Tribunal

A. Investment of the funds of the Tribunal

14. In respect of the investment of funds of the Tribunal, regulation 9 of the Financial Regulations of the Tribunal stipulates the following:

> 9.1 The Registrar may make prudent short-term investments of moneys not needed for immediate requirements and shall inform the Tribunal and the Meeting of States Parties periodically of such investments.
>
> 9.2 Income derived from investments shall be credited to miscellaneous income or as provided in the rules relating to each fund or account.

15. During the financial period 2005-2006, the Tribunal's funds were kept in Chase Bank and Deutsche Bank in United States dollars and euros as short-term investments, which are investments made for less than 12 months according to rule 109.1 of the Financial Rules of the Tribunal. The funds yielded interest which amounted to 26,256.31 United States dollars and €109,889.06 during the period in question. This earned interest has been credited as miscellaneous income in accordance with regulation 9.2 of the Financial Regulations of the Tribunal.

B. The Korea International Cooperation Agency trust fund

16. The Korea International Cooperation Agency (KOICA) offered to provide a grant of 150,000 United States dollars pursuant to a memorandum of understanding signed between the Tribunal and KOICA on 9 March 2004. Its object is to finance

the expenses of participants from developing countries in the Tribunal's internship programme.

17. In accordance with regulation 6.5 of the Financial Regulations of the Tribunal, a trust fund was subsequently established and a special euro bank account named "KOICA grant" was set up with Deutsche Bank for this purpose. When the funds, amounting to 150,000 United States dollars, were received from KOICA in March 2004 they were converted into €120,600 on the basis of the exchange rate of 0.804 fixed by the United Nations for March 2004.

18. In March 2006, the Tribunal received from KOICA its second contribution to the KOICA trust fund, in the amount of 100,000 United States dollars. This amount was converted into €84,400 on the basis of the exchange rate of 0.844 fixed by the United Nations for March 2006. Following the signing of a memorandum of understanding between the Tribunal and KOICA, a further amount of €213,645 should be paid to the Tribunal in 2007 in order to finance the internship programme of the Tribunal, the organization of regional workshops and the participation of students from developing countries in the summer academy organized by the International Foundation for the Law of the Sea.

19. The performance of the KOICA grant as at 31 December 2006, which should be reported to the Meeting of States Parties in accordance with regulation 6.5 of the Financial Regulations of the Tribunal, is as follows:

Performance of the grant of the Korea International Cooperation Agency in euros

Opening balance	120 600.00
Gain on exchange	2 431.50
28 March 2006 contribution	84 400.00
Loss on exchange	-2 027.06
Total	**205 404.44**
Expenditure on participants and authorized activity	145 542.47
Bank charges	949.61
Bank balance	**58 912.36**
Accounts receivable	2 789.54
Unliquidated obligations	-4 500.00
Available balance	**57 201.90**

IV. Other matters

20. In 2005, the fifteenth Meeting of States Parties decided, as an interim measure, and pending a decision by States parties based on a report by the Registrar, taking into account the report requested in paragraph 8 of part III of General Assembly resolution 59/282, to approve an adjustment of the maximum annual remuneration of the members of the Tribunal to the level of the emoluments of the members of the

International Court of Justice established in General Assembly resolution 59/282, that is, 170,080 United States dollars, effective 1 January 2005, as well as an adjustment of pensions in payment in accordance with article 7, paragraph 2, of the pension regulations for members of the International Tribunal for the Law of the Sea, effective 1 January 2005 (SPLOS/132).

21. In paragraph 8 of part III of resolution 59/282, the General Assembly had requested the Secretary-General to submit a comprehensive report to the Assembly at its sixty-first session, including proposals for a mechanism of remuneration based on market exchange rates and local retail price fluctuations that limits the divergence of such remuneration from that of comparable positions of seniority within the United Nations system, and on the protection of pensions in payment to former judges and their survivors.

22. Further to that resolution, in his report on the conditions of service and compensation for officials other than Secretariat officials (A/61/554), the Secretary-General reviewed the remuneration of judges of international courts and tribunals and suggested that a post adjustment mechanism similar to that applied to salaries of staff in the Professional and higher categories be applied to their remuneration. According to that approach, the application of a 4.57 per cent increase to the proposed base salary of 170,080 United States dollars would result in a revised proposed annual base salary of 177,900 United States dollars, effective 1 January 2007 (see A/61/554, para. 82).

23. The Advisory Committee on Administrative and Budgetary Questions expressed its opinion that the proposal of the Secretary-General, which used the current net remuneration as the base salary, unduly inflated the remuneration calculated under a post adjustment system, since the current net remuneration of judges of the International Court of Justice already included a cost-of-living component (A/61/612, para. 8). The Advisory Committee further pointed out that the salaries of the members of the International Court of Justice were sui generis, and that the system of emoluments and conditions of service applicable to the members of the Court was distinct from that of any other in the United Nations system (A/61/612, para. 9).

24. The Committee therefore recommended the elaboration of alternative methods for adjusting remuneration according to market exchange rates and movement of the local cost-of-living index, with a view to protecting the levels of the remuneration as requested by the General Assembly. The new proposals should be presented to the General Assembly at its sixty-second session (A/61/612, para. 10).

25. The Tribunal will continue to monitor this matter and will report to the next session of the Meeting of States Parties on any developments.

Annex

Performance report for 2005-2006 (in euros)

	Part Section	*Objects of expenditure*	*Approved budget*	*Total expenditure (as at 31/12/2006)*	*Balance*	*Total expenditure/ approved budget (percentage)*	
1	I	RECURRENT EXPENDITURE					1
2	1	Judges	3 462 300	3 900 794	-438 494		2
3		Annual allowances	1 996 600	2 539 873	-543 273	127.21	3
4		Special allowances	620 600	676 760	-56 160	109.05	4
5		Travel to sessions	246 300	238 271	8 029	96.74	5
6		Judges' pension scheme	479 300	355 363	123 937	74.14	6
7		Common costs	119 500	90 527	28 973	75.76	7
8	2	Staff costs	6 632 700	6 344 400	288 300		8
9		Established posts	4 358 000	4 205 062	152 938	96.49	9
10		Common staff costs	1 792 900	1 724 489	68 411	96.18	10
11		Reimbursement of national taxes	30 000	30 000	0	100.00	11
12		Overtime	39 000	36 753	2 247	94.24	12
13		Temporary assistance for meetings	213 400	184 875	28 525	86.63	13
14		General temporary assistance	133 100	117 399	15 701	88.20	14
15		Training	66 300	45 822	20 478	69.11	15
16	3	Representation allowance	12 200	12 188	12	99.90	16
17	4	Official travel	172 200	169 348	2 852	98.34	17
18	5	Hospitality	13 200	12 929	271	97.95	18
19	6	Operating expenditures	2 653 700	2 483 931	169 769		19
20		Maintenance of premises (including security)	1 953 000	1 905 245	47 755	97.55	20
21		Rental and maintenance of equipment	332 600	307 601	24 999	92.48	21
22		Communications	182 700	144 827	37 873	79.27	22
23		Miscellaneous services and charges (including bank charges)	37 900	29 779	8 121	78.57	23
24		Supplies and materials	114 700	89 479	25 221	78.01	24
25		Special services (external audit)	32 800	7 000	25 800	21.34	25

	Part Section	Objects of expenditure	Approved budget	Total expenditure (as at 31/12/2006)	Balance	Total expenditure/ approved budget (percentage)	
26	7	Library and related costs	317 000	301 325	15 675	95.06	26
27		Library: procurement of books and publications	227 400	212 271	15 129	93.35	27
28		External printing and binding	89 600	89 054	546	99.39	28
29							29
30	II	NON-RECURRENT EXPENDITURE					30
31	8	Furniture and equipment					31
32		Purchase of equipment	150 000	144 429	5 571	96.29	32
33							33
34	III	CASE-RELATED COSTS	2 093 200	24 285		1.16	34
35	9	Judges	1 555 000	19 669	1 535 331	1.26	35
36		Special allowances	1 222 600	9 840	1 212 760	0.80	36
37		Compensation to judges ad hoc	72 900	0	72 900	0.00	37
38		Travel to meetings, including judges ad hoc	259 500	9 829	249 671	3.79	38
39	10	Staff costs	538 200	4 616	533 584	0.86	39
40		Temporary assistance for meetings	493 200	4 616	488 584	0.94	40
41		Overtime	45 000	0	45 000	0.00	41
42	11	Miscellaneous	0	0	0		42
43							43
44	IV	WORKING CAPITAL FUND	0	0	0		44
45							45
46	**IV**	**Total**	**15 506 500**	**13 393 630**	**2 112 870**	**86.37**	**46**

United Nations Convention on the Law of the Sea SPLOS/155

Meeting of States Parties

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Seventeenth Meeting
New York, 14 and 18-22 June 2007
Item 15 of the provisional agenda*
Report on the establishment of a staff pension committee within the International Tribunal for the Law of the Sea (SPLOS/155)

Letter dated 27 March 2007 from the Permanent Representative of Jamaica to the United Nations addressed to the Secretariat

I refer to my correspondence of 2 November 2006 and 30 January 2007 regarding the appointment of members to the staff pension committee of the International Tribunal for the Law of the Sea (see annexes).

I should be grateful if the present letter and its annexes could be circulated as a document of the Meeting of States Parties.

(*Signed*) Raymond O. **Wolfe**
Permanent Representative of Jamaica to the United Nations

* SPLOS/L.50.

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Annex I

Letter dated 2 November 2006 from the Permanent Representative of Jamaica to the United Nations addressed to the Registrar of the International Tribunal for the Law of the Sea

I am writing in my capacity as President of the sixteenth Meeting of States Parties of the United Nations Convention on the Law of the Sea regarding the decision of the Meeting that I should conduct intersessional consultations in order to select a member and an alternate member of the staff pension committee of the International Tribunal for the Law of the Sea.

Pursuant to this decision, I have had wide consultations and as a result, I wish to convey to you the nomination of Senegal for membership of the staff pension committee.

Although we need to have two nominations, I thought it prudent for States parties to be advised of the nomination of Senegal, in view of the time that has elapsed. It is my hope that a second nomination can be confirmed shortly.

(*Signed*) Raymond O. **Wolfe**
Permanent Representative of Jamaica to the United Nations

Annex II

Letter dated 30 January 2007 from the Permanent Representative of Jamaica to the United Nations addressed to the Registrar of the International Tribunal for the Law of the Sea

I am in receipt of your letter dated 24 January 2007 regarding the appointment of members to the staff pension committee, pursuant to the decision of the sixteenth Meeting of States Parties to the United Nations Convention on the Law of the Sea.

In accordance with this decision, the necessary consultations were conducted with States parties and up to the present time, only Senegal has expressed an interest.

On the basis of the mandate of the Meeting, the obligation to conduct consultations has been met. However, in view of the fact that there has been no nomination for an alternate member of the staff pension committee as yet, I am still in contact with States parties with the hope that a submission will be received prior to the next Meeting of States Parties.

(*Signed*) Raymond O. **Wolfe**
Permanent Representative of Jamaica to the United Nations